

*No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*



## PROSPECTUS

*Initial Public Offering and Continuous Distribution*

February 24, 2020

This prospectus qualifies the distribution of units (the “Units”) of the following alternative mutual funds (each, an “Accelerate Fund” and, collectively, the “Accelerate Funds”), each of which is established as a trust under the laws of the Province of Ontario:

**Accelerate Arbitrage Fund (ARB)**

**Accelerate Market Neutral Yield Fund (YLD)**

**Accelerate Multi-Strategy Alternative Allocation Fund (GAIN)**

**The Accelerate Funds are alternative mutual funds and are permitted to use investment strategies that are not permitted for other types of mutual funds.**

**ARB and YLD have obtained exemptive relief to permit each of them to sell short an aggregate market value of securities up to 100% of their respective NAVs, which exceeds the typical 50% limit for alternative mutual funds under applicable securities legislation. The use of these investment strategies may increase the risk to Unitholders of losing money or losing their investments in ARB or YLD as compared to other alternative mutual funds.**

Accelerate Arbitrage Fund seeks to achieve long-term capital appreciation and a superior risk-adjusted return relative to the S&P Merger Arbitrage Index. ARB seeks to outperform the S&P Merger Arbitrage Index through an arbitrage investment strategy by investing primarily in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. ARB has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of ARB’s NAV.

Accelerate Market Neutral Yield Fund seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the FTSE Canada All Government Bond Index. YLD seeks to outperform the FTSE Canada All Government Bond Index over the long term by investing primarily in listed equity or derivative securities that are expected to outperform, while selling short certain listed equity or derivative securities that are expected to underperform. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. YLD has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of YLD’s NAV.

Accelerate Multi-Strategy Alternative Allocation Fund seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the Scotiabank Canadian Hedge Fund Index Equal Weighted. GAIN seeks to outperform the Scotiabank Canadian Hedge Fund Index Equal Weighted over the long term by investing in a diversified portfolio of listed alternative mutual funds.

See “Investment Objectives”.

Accelerate Financial Technologies Inc. (the “**Manager**”), a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio manager of the Accelerate Funds and is responsible for the administration of the Accelerate Funds. See “Organization and Management Details of the Accelerate Funds – Manager” and “Organization and Management Details of the Accelerate Funds – Portfolio Manager”.

### **Listing of Units**

The Accelerate Funds issue Units on a continuous basis and there is no maximum number of Units that may be issued.

The Toronto Stock Exchange (the “**TSX**”) has conditionally approved the listing of the Units of the Accelerate Funds. Listing is subject to the Accelerate Funds fulfilling all of the requirements of the TSX on or before January 14, 2021, including distribution of the Units to a minimum number of public Unitholders.

Unitholders may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Accelerate Funds in connection with the buying or selling of Units on the TSX or on another exchange or marketplace. Unitholders may redeem Units in any number for cash for a redemption price per Unit of 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit (defined below), or may exchange a minimum of a Prescribed Number of Units (defined below) (and any additional multiple thereof) for, in the discretion of the Manager, Baskets of Securities (defined below) and cash or only cash. Unitholders are advised to consult their brokers or investment advisers, and their tax advisers, before redeeming Units for cash. See “Redemption of Units”.

Each Accelerate Fund will issue Units directly to its Designated Broker and Dealers (each defined below). The initial issuance of Units will not occur until the applicable Accelerate Fund has received, in aggregate, subscriptions sufficient to satisfy the original listing requirements of the TSX.

### **Additional Consideration**

**The Accelerate Funds are alternative mutual funds and are permitted to use investment strategies that are not permitted for other types of mutual funds. In addition, each of ARB and YLD has obtained exemptive relief to permit them to sell securities short up to an aggregate market value of 100% of their respective NAVs, which exceeds the typical 50% limit for alternative mutual funds under applicable securities legislation. The use of these investment strategies may increase the risk to Unitholders of losing money or losing their investments in the Accelerate Funds.**

**No Dealer or Designated Broker has been involved in the preparation of the prospectus or has performed any review of the contents of the prospectus and, as such, the Dealers and the Designated Brokers do not perform many of the usual underwriting activities in connection with the distribution by the Accelerate Funds of their Units under this prospectus.**

**For a discussion of the risks associated with an investment in Units of an Accelerate Fund, see “Risk Factors”.**

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

The Units of an Accelerate Fund will be a qualified investment under the Tax Act (defined below) for a Registered Plan (defined below) at any time that the Accelerate Fund qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX.

The Units are not and will not be registered under the U.S. *Securities Act of 1933*, as amended. Subject to certain exceptions, the Units may not be offered or sold in the U.S. or offered or sold to U.S. persons. The Accelerate Funds are not and will not be registered under, and the Manager is not registered under, the U.S. *Investment Company Act of 1940*, as amended.

### **Documents Incorporated by Reference**

Additional information about each Accelerate Fund is available in the most recently filed ETF Facts, in the most recently filed annual financial statements, if any, any interim financial reports filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), if any, and any interim **MRFP** filed after that annual **MRFP**. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager’s website at [www.AccelerateShares.com](http://www.AccelerateShares.com) and may be obtained upon request, at no cost, by calling 1-855-892-0740 or by contacting a registered dealer. These documents and other information about the Accelerate Funds are also publicly available at [www.sedar.com](http://www.sedar.com). See “Documents Incorporated by Reference” for further details.

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## IMPORTANT TERMS

*Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

**Accelerate Funds** – the exchange-traded alternative mutual funds listed from time to time on the front cover of this prospectus, each established as a trust under the laws of Ontario pursuant to the Declaration of Trust.

**Basket of Securities** – in relation to a particular Accelerate Fund, means a group of securities selected by the Manager from time to time that collectively reflect the constituents of the portfolio of the Accelerate Fund.

**Borrowing Agent** – RBC Dominion Securities Inc. (also known as RBC Capital Market) or its successor.

**business day** – a day other than a Saturday, Sunday or a statutory holiday in Alberta or Ontario.

**Canadian securities legislation** – the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities, as the same may be amended, restated or replaced from time to time.

**Capital Gains Refund** – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Accelerate Funds”.

**CDS** – CDS Clearing and Depository Services Inc.

**CDS Participant** – a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

**CRA** – the Canada Revenue Agency.

**Custodian** – RBC Investor Services Trust or its successor.

**Custodian Agreement** – the custodian agreement dated March 22, 2019 between the Manager, on behalf of the Accelerate Funds, and the Custodian, as the same may be amended or restated from time to time.

**Cut-Off Time** – 2:30 p.m. (Toronto time) on the business day, or such later time as the Manager may agree to.

**Dealer** – a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of one or more Accelerate Funds, and that subscribes for and purchases Units from those Accelerate Funds as described under “Purchases of Units – Issuance of Units”.

**Declaration of Trust** – the master declaration of trust establishing the Accelerate Funds dated March 22, 2019, as the same may be amended or restated from time to time.

**Designated Broker** – a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of one or more Accelerate Funds, pursuant to which the Designated Broker agrees to perform certain duties in relation to those Accelerate Funds.

**distribution payment date** – a date, which is no later than the tenth business day following the applicable distribution record date, on which an Accelerate Fund pays a distribution to its Unitholders.

**distribution record date** – a date designated by the Manager as a record date for the determination of Unitholders entitled to receive a distribution from an Accelerate Fund.

**ETF Facts** – a document that summarizes certain features of the Units.

**Fund Administrator** – RBC Investor Services Trust or its successor.

**GST/HST** – the taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder, as amended from time to time.

**IRC** – the Independent Review Committee of the Accelerate Funds.

**Lender** – RBC Dominion Securities Inc. (also known as RBC Capital Market) or its successor.

**Management Agreement** – the management agreement dated March 22, 2019 between Accelerate Financial Technologies Inc., as trustee of the Accelerate Funds, and the Manager, as the same may be amended or restated from time to time.

**Management Fee Distribution** – an amount equal to the difference between the Management Fee otherwise chargeable by the Manager and a reduced fee determined by the Manager, at its discretion, from time to time, and that is distributed quarterly in cash by a Fund, at the discretion of the Manager, to the applicable Unitholders who hold large investments in the Fund;

**Management Fee** – the annual management fee, calculated and accrued daily and payable monthly in arrears by a Fund, to the Manager equal to an annual percentage of the net asset value of the Units of the Fund, together with applicable GST/HST.

**Manager** – Accelerate Financial Technologies Inc., a corporation incorporated under the laws of Alberta, or its successor.

**MRF** – management report of fund performance as defined in NI 81-106.

**NAV** and **NAV per Unit** – the net asset value of an Accelerate Fund and the net asset value per Unit, respectively, calculated by the Fund Administrator as described in “Calculation of Net Asset Value”.

**NI 81-102** – National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

**NI 81-106** – National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

**NI 81-107** – National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

**Portfolio Manager** – Accelerate Financial Technologies Inc., a corporation incorporated under the laws of Alberta, or its successor.

**Prescribed Number of Units** – in relation to a particular Accelerate Fund, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

**Registered Plans** – registered retirement savings plans, registered retirement income funds, registered education savings plans, tax-free savings accounts, deferred profit sharing plans and registered disability savings plans.

**Registrar and Transfer Agent** – TMX Trust Company or its successor.

**securities regulatory authorities** – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

**Securities Settlement Agreement** – the agreement dated March 22, 2019 between the Manager and the Borrowing Agent, as the same may be amended or restated from time to time.

**SIFT trust** – means a specified investment flow-through trust within the meaning of the Tax Act.

**Tax Act** – the *Income Tax Act* (Canada) and the regulations made thereunder, as amended from time to time.

**Trading Day** – in relation to a particular Accelerate Fund, unless otherwise agreed by the Manager, a day on which: (i) the TSX is open for trading; and (ii) the primary market or exchange for the securities held by the Accelerate Fund is open for trading.

**TSX** – Toronto Stock Exchange.

**Unit** – in relation to a particular Accelerate Fund, a redeemable, transferable unit of the Accelerate Fund, which represents an equal, undivided interest in the assets of the Accelerate Fund.

**Unitholder** – a holder of Units of an Accelerate Fund.

**Valuation Date** – each business day or any other day designated by the Manager on which the NAV and NAV per Unit of an Accelerate Fund is calculated.

**Valuation Time** – 4:00 p.m. (Toronto time) or such other time that the Manager deems appropriate on each Valuation Date.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Units of the Accelerate Funds and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

**Issuers:** **Accelerate Arbitrage Fund (ARB)**  
**Accelerate Market Neutral Yield Fund (YLD)**  
**Accelerate Multi-Strategy Alternative Allocation Fund (GAIN)**

(each, an “**Accelerate Fund**” and, collectively, the “**Accelerate Funds**”).

Each Accelerate Fund is an exchange-traded alternative mutual fund, established as a trust under the laws of the Province of Ontario. Accelerate Financial Technologies Inc. is the trustee, manager and portfolio manager of the Accelerate Funds.

**Units:** The Accelerate Funds offer the following units under this prospectus (the “**Units**”):

| <b>Accelerate Fund</b>                                | <b>Ticker</b> |
|---|---------------|
| Accelerate Arbitrage Fund                             | ARB           |
| Accelerate Market Neutral Yield Fund                  | YLD           |
| Accelerate Multi-Strategy Alternative Allocation Fund | GAIN          |

**Continuous  
Distribution:**

Units of the Accelerate Funds are being offered on a continuous basis and there is no maximum number of Units that may be issued.

The TSX has conditionally approved the listing of the Units of the Accelerate Funds. Listing is subject to the Accelerate Funds fulfilling all of the requirements of the TSX on or before January 14, 2021, including distribution of the Units to a minimum number of public Unitholders.

Unitholders may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Accelerate Funds in connection with the buying or selling of Units on the TSX or on another exchange or marketplace. Unitholders may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

Each Accelerate Fund will issue Units directly to its Designated Broker and Dealers. The initial issuance of Units will not occur until the applicable Accelerate Fund has received, in aggregate, subscriptions sufficient to satisfy the original listing requirements of the TSX.

See “Purchases of Units – Issuance of Units” and “Purchases of Units – Buying and Selling Units”.

**Investment Objectives:**

| <b>Accelerate Fund</b>                                | <b>Investment Objectives</b>   |
|---|--|
| Accelerate Arbitrage Fund                             | Accelerate Arbitrage Fund (ARB) seeks to achieve long-term capital appreciation and a superior risk-adjusted return relative to the S&P Merger Arbitrage Index. ARB seeks to outperform the S&P Merger Arbitrage Index through an arbitrage investment strategy by investing primarily in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. ARB has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of ARB's NAV. |
| Accelerate Market Neutral Yield Fund                  | Accelerate Market Neutral Yield Fund (YLD) seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the FTSE Canada All Government Bond Index. YLD seeks to outperform the FTSE Canada All Government Bond Index over the long term by investing primarily in listed equity or derivative securities that are expected to outperform, while selling short certain listed equity or derivative securities that are expected to underperform. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. YLD has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of YLD's NAV.  |
| Accelerate Multi-Strategy Alternative Allocation Fund | Accelerate Multi-Strategy Alternative Allocation Fund (GAIN) seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the Scotiabank Canadian Hedge Fund Index Equal Weighted. GAIN seeks to outperform the Scotiabank Canadian Hedge Fund Index Equal Weighted over the long term by investing in a diversified portfolio of listed alternative mutual funds.  |

See "Investment Objectives".

**Investment Strategies:**

| Accelerate Fund                      | Investment Strategies   |
|--------------------------------------|---|
| Accelerate Arbitrage Fund            | <p>In order to achieve its investment objective, ARB engages in a merger arbitrage investment strategy by investing in long positions in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable. The long and short securities owned or sold short by ARB are primarily listed on an exchange or marketplace in Canada, the U.S., Australia or Europe.</p> <p>In a merger transaction in which the consideration for the target company is cash only, ARB may go long the target shares, target debt or target derivatives, with no accompanying short position. In a merger transaction in which the consideration for the target company includes shares of the acquirer, ARB may go long the target shares, target debt or target derivatives, while going short the acquirer's shares or derivatives, where applicable. ARB may also trade in securities, long and/or short, where applicable, of a company undergoing a corporate action such as a merger, acquisition, liquidation, share exchange, tender offer, redemption, retraction, spin-off, amalgamation, debt-for-equity swap, maturity, conversion or other such corporate action.</p> <p>ARB uses the cash generated from its short positions to purchase additional long positions. As a result, ARB may have up to 200% exposure to the long portfolio and up to 100% exposure to the short portfolio, resulting in net long equity exposure of between 0% and 100%. While the short positions create leverage by increasing the long-portfolio exposure, these positions help to hedge the increased market risk associated with the leveraged portion of the long portfolio. The aggregate market value of securities sold short by ARB will not exceed 100% of ARB's NAV.</p> |
| Accelerate Market Neutral Yield Fund | <p>In order to achieve its investment objective, YLD engages in a systematic, long-short equity investment strategy by investing primarily in long and short positions of equity or derivative securities that are listed on an exchange or marketplace in Canada or the U.S. Security selection of the long and short portfolios is driven by an integrated multi-factor approach, consistent with empirical data and financial theory, based on factors that include value, quality, price momentum, operating momentum and trend. The Portfolio Manager applies its proprietary multi-factor model to the Canadian and U.S. listed equity and derivative markets and selects the long portfolio from the top 10%, and the short portfolio from the bottom 10%, of the equities and derivatives, generated by this model.</p> <p>YLD uses the cash generated from its short positions to purchase additional long positions. As a result, YLD is expected to have an approximately 100% exposure to the long portfolio and up to 100% exposure to the short portfolio, resulting in an approximately 0% net long equity exposure. The short positions help to hedge the market risk of the long portfolio. The aggregate market value of securities sold short by YLD will not exceed 100% of YLD's NAV.</p>  |

|   |  |
|---|--|
| Accelerate Multi-Strategy Alternative Allocation Fund | <p>In order to achieve its investment objective, GAIN engages in a systematic, long alternative asset allocation investment strategy by investing primarily in long positions of alternative funds that are listed on an exchange or marketplace in Canada. Security selection of the long portfolio is driven by an asset allocation approach with a standard deviation target of 9-11%. The Portfolio Manager applies its proprietary asset allocation model to the Canadian listed alternative fund market and selects the long portfolio of alternative funds to attain its target standard deviation of 9-11%.</p> <p>GAIN is expected to have an approximately 100% exposure to the long portfolio.</p> <p>While engaging in its investment strategy, GAIN may, at and from inception, invest in long positions of funds managed by third-party managers, future funds managed by the Manager, if and when formed, and the following funds currently managed by the Manager: ARB, YLD, Accelerate Absolute Return Hedge Fund, Accelerate Enhanced Canadian Benchmark Alternative Fund, Accelerate Private Equity Alpha Fund.</p> |
|---|--|

See “Investment Strategies”.

**Leverage:**

Each of ARB and YLD use leverage by selling securities short and using the cash proceeds from such short sales to buy additional equity securities. The aggregate market value of the securities sold short by ARB or YLD will not exceed 100% of its NAV. ARB may use leverage by borrowing cash and using the cash to purchase additional long positions. The amount of cash borrowed will not exceed 50% of ARB’s NAV. In addition, ARB and YLD may use leverage by entering into derivatives for non-hedging purposes. The maximum aggregate exposure of each Accelerate Fund to cash borrowing, short selling and specified derivatives will not exceed the amounts set out in the table below:

| Accelerate Fund                      | Maximum Aggregate Exposure as a Percentage of NAV |
|--------------------------------------|---|
| Accelerate Arbitrage Fund            | 300%  |
| Accelerate Market Neutral Yield Fund | 300%  |

**Special Considerations for Purchasers:**

The provisions of the so-called “early warning” reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Units of an Accelerate Fund. The Accelerate Funds have obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of any Accelerate Fund without regard to the takeover bid requirements of applicable Canadian securities legislation.

See “Purchases of Units – Special Considerations for Unitholders”.

**Risk Factors:** There are certain risk factors inherent in an investment in an Accelerate Fund, including:

- (i) alternative mutual fund risk;
- (ii) market risk;
- (iii) short selling risk;
- (iv) leverage risk;
- (v) concentration risk;
- (vi) model and data risk;
- (vii) portfolio turnover risk;
- (viii) absence of active market risk;
- (ix) trading price of Units risk;
- (x) fluctuations in NAV risk;
- (xi) large transaction risk;
- (xii) illiquid securities risk;
- (xiii) legislation risk;
- (xiv) taxation risk;
- (xv) securities lending risk;
- (xvi) cease trading of securities risk;
- (xvii) halted trading of Units risk; and
- (xviii) cyber security risk.

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Accelerate Funds, as indicated in the table below.

| <b>Accelerate Fund</b>               | <b>Additional Risks</b>                 |
|--------------------------------------|---|
| Accelerate Arbitrage Fund            | foreign currency risk; derivatives risk |
| Accelerate Market Neutral Yield Fund | foreign currency risk; derivatives risk |

See “Risk Factors”.

**Income Tax Considerations:**

Each year a Unitholder who is an individual (other than a trust) resident in Canada will generally be required to include in computing income for tax purposes the amount of any income and the taxable portion of any capital gains of an Accelerate Fund distributed to the Unitholder in the year, whether such amounts are paid in cash or reinvested in additional Units. A Unitholder will generally realize a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.

Each investor should satisfy himself, herself, or itself as to the federal and provincial tax consequences of an investment in Units of an Accelerate Fund by obtaining advice from his, her or its tax advisor.

See “Income Tax Considerations”.

**Exchanges and Redemptions:**

In addition to the ability to sell Units on the TSX or on another exchange or marketplace, Unitholders may: (i) redeem Units in any number for cash for a redemption price per Unit of 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit; or (ii) exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for, in the discretion of the Manager, Baskets of Securities and cash or only cash.

See “Redemption of Units”.

**Distributions:** The Accelerate Funds intend to distribute cash, if any, periodically as set out in the following table:

| <b>Accelerate Fund</b>                                | <b>Cash Distribution Frequency</b> |
|---|------------------------------------|
| Accelerate Arbitrage Fund                             | Quarterly                          |
| Accelerate Market Neutral Yield Fund                  | Quarterly                          |
| Accelerate Multi-Strategy Alternative Allocation Fund | Quarterly                          |

Cash distributions are expected to consist primarily of income but may, at the Manager's discretion, include capital gains and/or returns of capital.

The Accelerate Funds do not have a fixed distribution amount. The amount and frequency of distributions, if any, is based on the Manager's assessment of anticipated cash flow and anticipated expenses of the applicable Accelerate Fund from time to time.

The date of any cash distribution of each Accelerate Fund is announced in advance by issuance of a press release. The Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

At the end of each taxation year, each Accelerate Fund will distribute to its Unitholders a sufficient amount of its net income and net realized capital gains so that the Accelerate Fund will not be liable for ordinary income tax, which distribution will be automatically reinvested in additional Units of the Accelerate Fund. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

See "Distribution Policy".

**Termination:** The Accelerate Funds do not have a fixed termination date, but each may be terminated by the Manager upon not less than 60 days' written notice to Unitholders.

See "Termination of the Accelerate Funds".

**Documents Incorporated by Reference:** Additional information about each Accelerate Fund is available in the most recently filed ETF Facts, in the most recently filed annual financial statements, if any, any interim financial reports filed after those annual financial statements, the most recently filed annual MRFP, if any, and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager's website at [www.AccelerateShares.com](http://www.AccelerateShares.com) and may be obtained upon request, at no cost, by calling 1-855-892-0740 or by contacting a registered dealer. These documents and other information about the Accelerate Funds are also publicly available at [www.sedar.com](http://www.sedar.com).

See "Documents Incorporated by Reference".

**Eligibility for Investment:**

The Units of an Accelerate Fund will be a “qualified investment” under the Tax Act for a Registered Plan at any time that the Accelerate Fund qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units of the Accelerate Fund are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX.

Investors should consult their own tax advisers for advice on whether Units of an Accelerate Fund would be a “prohibited investment” under the Tax Act for their Registered Plan.

See “Eligibility for Investment”.

**ORGANIZATION AND MANAGEMENT OF THE ACCELERATE FUNDS**

**Manager:**

Accelerate Financial Technologies Inc. is the manager of the Accelerate Funds and is responsible for managing the overall business of the Accelerate Funds, including selecting the portfolio management team for each Accelerate Fund’s portfolio, providing the Accelerate Funds with accounting and administration services and promoting sales of the Accelerate Funds’ securities through financial advisers in each province and territory of Canada. The head office and sole office of the Accelerate Funds and the Manager is located at Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2. The registered office of the Accelerate Funds and the Manager is located at 2400, 525 – 8 Avenue SW, Calgary, Alberta, T2P 1G1.

See “Organization and Management Details of the Accelerate Funds – Manager”.

**Trustee:**

Accelerate Financial Technologies Inc. is the trustee of the Accelerate Funds pursuant to the Declaration of Trust and holds title to the assets of each Accelerate Fund in trust for its Unitholders.

See “Organization and Management Details of the Accelerate Funds – Trustee”.

**Portfolio Manager:**

Accelerate Financial Technologies Inc. has been appointed portfolio manager to the Accelerate Funds. The Portfolio Manager provides investment management services with respect to the Accelerate Funds.

See “Organization and Management Details of the Accelerate Funds – Portfolio Manager”.

**Promoter:**

Accelerate Financial Technologies Inc. has taken the initiative in founding and organizing the Accelerate Funds and is, accordingly, the promoter of the Accelerate Funds within the meaning of securities legislation of certain provinces and territories of Canada.

See “Organization and Management Details of the Accelerate Funds – Promoter”.

**Custodian:**

The Manager has retained the services of RBC Investor Services Trust, at its principal offices in Toronto, Ontario, to act as the custodian of the assets of the Accelerate Funds and to hold those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Accelerate Funds. The Custodian has appointed the Borrowing Agent as a sub-custodian of the Accelerate Funds.

See “Organization and Management Details of the Accelerate Funds – Custodian”.

**Borrowing Agent:** The Manager has retained the services of RBC Dominion Securities Inc., at its principal offices in Toronto, Ontario, to act as the borrowing agent of the Accelerate Funds in connection with short sales of securities.

See “Organization and Management Details of the Accelerate Funds – Borrowing Agent”.

**Lender:** The Manager has retained the services of RBC Dominion Securities Inc., at its principal offices in Toronto, Ontario, to act as the lender to ARB for the cash it borrows to acquire additional equity securities.

See “Organization and Management Details of the Accelerate Funds – Lender”.

**Registrar and Transfer Agent:** The Manager has retained the services of TMX Trust Company to act as the registrar and transfer agent for the Units of the Accelerate Funds and to maintain the register of registered Unitholders. The register of each Accelerate Fund is kept in Calgary, Alberta.

See “Organization and Management Details of the Accelerate Funds – Registrar and Transfer Agent”.

**Auditor:** PricewaterhouseCoopers LLP, at its principal offices in Calgary, Alberta, is the auditor of the Accelerate Funds. The auditor audits each Accelerate Fund’s annual financial statements and provides an opinion as to whether they present fairly the Accelerate Fund’s financial position, financial performance and cash flows. The auditor is independent of the Manager.

See “Organization and Management Details of the Accelerate Funds – Auditor”.

**Fund Administrator:** The Manager has retained the services of RBC Investor Services Trust, at its principal offices in Toronto, Ontario, to act as the fund administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Accelerate Funds, including NAV calculations, accounting for net income and net realized capital gains of the Accelerate Funds and maintaining books and records with respect to the Accelerate Funds.

See “Organization and Management Details of the Accelerate Funds – Fund Administrator”.

## SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that a Unitholder may have to pay if the Unitholder invests in an Accelerate Fund. A Unitholder may have to pay some of these fees and expenses directly. An Accelerate Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Accelerate Fund.

See “Fees and Expenses”.

### Fees and Expenses Payable by the Accelerate Funds

**Type of Fee**

**Amount and Description**

**Management Fee:**

Each Accelerate Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the Units of the Fund. The management fee, plus applicable GST/HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

| Accelerate Fund                                       | Annual Management Fee (%)   |
|---|---|
| Accelerate Arbitrage Fund                             | 0.95%   |
| Accelerate Market Neutral Yield Fund                  | 0.95%   |
| Accelerate Multi-Strategy Alternative Allocation Fund | 0.20% + the management fees of the Underlying Funds <sup>(1)(2)</sup> |

**Note:**

- (1) The Accelerate Multi-Strategy Alternative Allocation Fund has a base management fee of 0.20% payable to the Manager and, at and from inception, it may invest, directly or indirectly, in one or more funds managed by third-party managers, future funds managed by the Manager, if and when formed, and the following funds currently managed by the Manager: the Accelerate Arbitrage Fund; the Accelerate Market Neutral Yield Fund; the Accelerate Absolute Return Hedge Fund; the Accelerate Enhanced Canadian Benchmark Alternative Fund; and the Accelerate Private Equity Alpha Fund (each an “**Underlying Fund**” and collectively, the “**Underlying Funds**”). The fees and expenses payable for the management and advisory services of the Underlying Funds are in addition to the base management fee of 0.20% payable by the Accelerate Multi-Strategy Alternative Allocation Fund. As a result, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in an Underlying Fund that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee of the Underlying Fund on the portion of its assets that it invests in such Underlying Fund (which would be an aggregate of 1.15% in the case of Accelerate Arbitrage Fund or Accelerate Market Neutral Yield Fund). In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee, as and if applicable, of such fund. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests in an Underlying Fund that has a performance fee, the Accelerate Multi-Strategy Alternative Allocation Fund will bear such performance fee. See Note 2. Neither an Accelerate Fund nor any Underlying Fund pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an Underlying Fund. However, commissions are paid for the purchase of an Underlying Fund that is an ETF.
  
- (2) To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Absolute Return Hedge Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Absolute Return Hedge Fund, which such performance incentive fee is equal to 20% of the amount by which the Accelerate Absolute Return Hedge Fund’s NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. To the extent the

Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Enhanced Canadian Benchmark Alternative Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Enhanced Canadian Benchmark Alternative Fund, which such performance incentive fee, calculated quarterly, is equal to 50% of the positive amount by which the Accelerate Enhanced Canadian Benchmark Alternative Fund's cumulative total return exceeds the performance of the S&P/TSX Composite Total Return Index for such period. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Private Equity Alpha Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Private Equity Alpha Fund, which such performance incentive fee is equal to 15% of the amount by which the Accelerate Private Equity Alpha Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. See the Accelerate Absolute Return Hedge Fund, the Accelerate Enhanced Canadian Benchmark Alternative Fund and the Accelerate Private Equity Alpha Fund prospectus dated March 22, 2019 for more information regarding the above noted performance incentive fees. In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a performance incentive fee, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, as and if applicable, of such fund.

**Operating Expenses:**

In addition to any management fee, each Accelerate Fund pays all of its operating expenses, including: (i) brokerage expenses and commissions, any related transaction fees and other costs and expenses of portfolio transactions; (ii) the costs, including interest, incurred in connection with the short selling of securities; (iii) the costs, including interest, incurred in connection with cash borrowings; (iv) the fees under any derivative instrument used by the Accelerate Fund; (v) the cost of complying with governmental or regulatory requirements introduced after the date of creation of the Accelerate Fund, including, without limitation, any new fees or increases in fees (these costs will be assessed based on the extent and nature of these new requirements); (vi) the fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry as of the date of creation of the Accelerate Fund; (vii) the fees payable to the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the Borrowing Agent, the Lender, the auditor, legal counsel and other service providers retained by the Manager; (viii) the fees and expenses relating to the implementation and ongoing operation of the IRC; (ix) any termination costs that may be allocated by the Manager to the Accelerate Fund; (x) the fees payable to CDS in respect of the Accelerate Fund; (xi) all other fees and expenses incurred in connection with the operation and administration of the Accelerate Fund; (xii) any GST/HST on those expenses; and (xiii) any income, withholding or other taxes. These expenses, other than the management fee and any applicable GST/HST on the management fee, are all of the operating expenses payable by each Accelerate Fund.

The Manager may decide, in its discretion, to pay for some of these operating expenses that are otherwise payable by the Accelerate Funds, rather than having the Accelerate Funds incur such operating expenses. The Manager is under no obligation to do so and, if any operating expenses are reimbursed by the Manager, it may discontinue this practice at any time.

**Fund of Fund  
Investments:**

The Accelerate Multi-Strategy Alternative Allocation Fund has a base management fee of 0.20% and it invests, directly or indirectly, in one or more of the Underlying Funds. The fees and expenses payable for the management and advisory services of the Underlying Funds are in addition to the base management fee of 0.20% payable by the Accelerate Multi-Strategy Alternative Allocation Fund. As a result, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in an Underlying Fund that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee of the Underlying Fund on the portion of its assets that it invests in such Underlying Fund (which would be an aggregate of 1.15% in the case of Accelerate Arbitrage Fund or Accelerate Market Neutral Yield Fund). In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee, as and if applicable, of such fund.

To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Absolute Return Hedge Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Absolute Return Hedge Fund, which such performance incentive fee is equal to 20% of the amount by which the Accelerate Absolute Return Hedge Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Enhanced Canadian Benchmark Alternative Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Enhanced Canadian Benchmark Alternative Fund, which such performance incentive fee, calculated quarterly, is equal to 50% of the positive amount by which the Accelerate Enhanced Canadian Benchmark Alternative Fund's cumulative total return exceeds the performance of the S&P/TSX Composite Total Return Index for such period. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Private Equity Alpha Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Private Equity Alpha Fund, which such performance incentive fee is equal to 15% of the amount by which the Accelerate Private Equity Alpha Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. See the Accelerate Absolute Return Hedge Fund, the Accelerate Enhanced Canadian Benchmark Alternative Fund and the Accelerate Private Equity Alpha Fund prospectus dated March 22, 2019 for more information regarding the above noted performance incentive fees. In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a performance incentive fee, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, as and if applicable, of such fund.

Neither an Accelerate Fund nor any Underlying Fund pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an Underlying Fund. However, commissions are paid for the purchase of an Underlying Fund that is an ETF.

**Fees and Expenses Payable Directly by Unitholders**

**Type of Fee**

**Amount and Description**

**Other Charges:**

An amount may be charged to a Designated Broker or Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Units of an Accelerate Fund. This charge, which is payable to the Accelerate Fund, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX or on another exchange or marketplace. See “Purchases of Units” and “Redemption of Units”.

See “Fees and Expenses”.

## **OVERVIEW OF THE LEGAL STRUCTURE OF THE ACCELERATE FUNDS**

The Accelerate Funds are exchange-traded alternative mutual funds established as trusts under the laws of the Province of Ontario. Each Accelerate Fund has been established pursuant to the Declaration of Trust.

While each Accelerate Fund is a mutual fund under the securities legislation of certain provinces and territories of Canada, certain provisions of Canadian securities legislation applicable to conventional mutual funds do not apply to an Accelerate Fund because it is an “alternative mutual fund”. The Accelerate Funds are subject to the restrictions and practices contained in Canadian securities legislation applicable to alternative mutual funds, including NI 81-102, and the Accelerate Funds are managed in accordance with these restrictions, except as otherwise permitted by any exemptive relief obtained by the Accelerate Funds. See “Exemptions and Approvals”.

The head office of the Accelerate Funds and the Manager is located at Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2. The registered office of the Accelerate Funds and the Manager is located at 2400, 525 – 8 Avenue SW, Calgary, Alberta, T2P 1G1.

### **INVESTMENT OBJECTIVES**

#### **Accelerate Arbitrage Fund**

Accelerate Arbitrage Fund seeks to achieve long-term capital appreciation and a superior risk-adjusted return relative to the S&P Merger Arbitrage Index. ARB seeks to outperform the S&P Merger Arbitrage Index through an arbitrage investment strategy by investing primarily in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. ARB has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of ARB’s NAV.

#### **Accelerate Market Neutral Yield Fund**

Accelerate Market Neutral Yield Fund seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the FTSE Canada All Government Bond Index. YLD seeks to outperform the FTSE Canada All Government Bond Index over the long term by investing primarily in listed equity or derivative securities that are expected to outperform, while selling short certain listed equity or derivative securities that are expected to underperform. The aggregate notional amount of derivatives used for non-hedging purposes will not exceed the limits permitted under applicable securities legislation. YLD has obtained exemptive relief to permit it to sell securities short up to an aggregate market value of 100% of YLD’s NAV.

#### **Accelerate Multi-Strategy Alternative Allocation Fund**

Accelerate Multi-Strategy Alternative Allocation Fund seeks to achieve long-term appreciation and a superior risk-adjusted return relative to the Scotiabank Canadian Hedge Fund Index Equal Weighted. GAIN seeks to outperform the Scotiabank Canadian Hedge Fund Index Equal Weighted over the long term by investing in a diversified portfolio of listed alternative mutual funds.

### **INVESTMENT STRATEGIES**

#### **Accelerate Arbitrage Fund**

In order to achieve its investment objective, ARB engages in a merger arbitrage investment strategy by investing in long positions in listed equity, debt or derivative securities of target companies involved in mergers or corporate actions, while selling short certain listed equity, debt or derivative securities of acquirer companies involved in mergers or corporate actions, where applicable. The long and short securities owned or sold short by ARB are primarily listed on an exchange or marketplace in Canada, the U.S., Australia or Europe.

In a merger transaction in which the consideration for the target company is cash only, ARB may go long the target shares, target debt or target derivatives, with no accompanying short position. In a merger transaction in which the consideration for the target company includes shares of the acquirer, ARB may go long the target shares, target debt or target derivatives, while going short the acquirer's shares or derivatives, where applicable. In a corporate action, ARB may go long or short shares, debt or derivatives of a company undergoing a corporate action.

ARB uses the cash generated from its short positions to purchase additional long positions. As a result, ARB may have up to 200% exposure to the long portfolio and up to 100% exposure to the short portfolio, resulting in net long equity exposure of between 0% and 100%. While the short positions create leverage by increasing the long-portfolio exposure, these positions help to hedge the increased market risk associated with the leveraged portion of the long portfolio. The aggregate market value of securities sold short by ARB will not exceed 100% of ARB's NAV.

ARB may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it. Currently, it is not expected that ARB will engage in securities lending transactions.

ARB may also hold cash and cash equivalents. For purposes of a merger, termination or other transaction, ARB may hold all or a portion of its assets in cash or money market instruments. As a result, in these circumstances, ARB may not be fully invested in accordance with its investment objectives.

### **Accelerate Market Neutral Yield Fund**

In order to achieve its investment objective, YLD engages in a systematic, long-short equity investment strategy by investing primarily in long and short positions of equity or derivative securities that are listed on an exchange or marketplace in Canada or the U.S. Security selection of the long and short portfolios is driven by an integrated multi-factor approach, consistent with empirical data and financial theory, based on factors that include value, quality, price momentum, operating momentum and trend. The Portfolio Manager applies its proprietary multi-factor model to the Canadian and U.S. listed equity and derivative markets and selects the long portfolio from the top 10%, and the short portfolio from the bottom 10%, of the equities and derivatives generated by this model.

YLD uses the cash generated from its short positions to purchase additional long positions. As a result, YLD is expected to have an approximately 100% exposure to the long portfolio and up to 100% exposure to the short portfolio, resulting in an approximately 0% net long equity exposure. The short positions help to hedge the market risk of the long portfolio. The aggregate market value of securities sold short by YLD will not exceed 100% of YLD's NAV.

YLD may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it. Currently, it is not expected that YLD will engage in securities lending transactions.

YLD may also hold cash and cash equivalents. For purposes of a merger, termination or other transaction, YLD may hold all or a portion of its assets in cash or money market instruments. As a result, in these circumstances, YLD may not be fully invested in accordance with its investment objectives.

### **Accelerate Multi-Strategy Alternative Allocation Fund**

In order to achieve its investment objective, GAIN engages in a systematic, long alternative asset allocation investment strategy by investing primarily in long positions of alternative funds that are listed on an exchange or marketplace in Canada. Security selection of the long portfolio is driven by an asset allocation approach, driven by a standard deviation target of 9-11%. The Portfolio Manager applies its proprietary asset allocation model to Canadian listed alternative fund market and selects the long portfolio to attain its target standard deviation of 9-11%.

GAIN is expected to have an approximately 100% exposure to the long portfolio.

While engaging in its investment strategy, GAIN may, at and from inception, invest in long positions of funds managed by third-party managers, future funds managed by the Manager, if and when formed, and the following funds currently managed by the Manager: ARB, YLD, Accelerate Absolute Return Hedge Fund, Accelerate Enhanced Canadian Benchmark Alternative Fund, Accelerate Private Equity Alpha Fund. See above for the investment strategies of ARB

and YLD. Accelerate Absolute Return Hedge Fund engages in a systematic, long-short equity investment strategy by investing primarily in long and short positions of equity securities that are listed on an exchange or marketplace in Canada or the U.S. Accelerate Enhanced Canadian Benchmark Alternative Fund invests directly or indirectly primarily in the equity securities of Canadian and foreign issuers listed on an exchange or marketplace in Canada that represent the broad Canadian listed equities market. Accelerate Private Equity Alpha Fund engages in a systematic, long-short equity investment strategy by investing primarily in long positions of equity securities that are listed on an exchange or marketplace in the U.S. or Canada and entering into short positions in respect of listed equity securities in these markets. See “Fees and Expenses” for information regarding the additional management and/or performance fees of the Underlying Funds.

GAIN may, in compliance with NI 81-102, lend securities to securities borrowers acceptable to it. Currently, it is not expected that GAIN will engage in securities lending transactions.

GAIN may also hold cash and cash equivalents. For purposes of a merger, termination or other transaction, GAIN may hold all or a portion of its assets in cash or money market instruments. As a result, in these circumstances, GAIN may not be fully invested in accordance with its investment objectives.

### **Leverage**

Each of ARB and YLD use leverage by selling securities short and using the cash proceeds from such short sales to buy additional equity securities. The aggregate market value of the securities sold short by ARB or YLD will not exceed 100% of its NAV. ARB may use leverage by borrowing cash and using the cash to purchase additional long positions. The amount of cash borrowed will not exceed 50% of ARB’s NAV. In addition, ARB and YLD may use leverage by entering into derivatives for non-hedging purposes. The aggregate notional amount of all derivatives used by ARB or YLD for non-hedging purposes will not exceed 100% of ARB or YLD’s respective NAV.

GAIN does not use leverage.

Leverage increases both the potential return and the risk of loss on any investment position. Each Accelerate Fund is subject to a gross aggregate exposure limit of 300% of its NAV, which is calculated by adding together the market value of its short positions, the value of any outstanding cash borrowing and the aggregate notional value of its specified derivatives positions that are not entered into for hedging purposes. This leverage calculation must be determined on a daily basis.

The maximum aggregate exposure of each Accelerate Fund to cash borrowing, short selling and specified derivatives will not exceed the amounts set out in the table below:

| <b>Accelerate Fund</b>               | <b>Maximum Aggregate Exposure as a Percentage of NAV</b> |
|--------------------------------------|--|
| Accelerate Arbitrage Fund            | 300%   |
| Accelerate Market Neutral Yield Fund | 300%   |

## **OVERVIEW OF THE SECTORS IN WHICH THE FUNDS INVEST**

ARB provides the opportunity to gain exposure to a long-short equity investment strategy by investing in long and short positions of equity, debt or derivative securities that are listed on an exchange or marketplace in Canada, the U.S., Europe and/or Australia, as the case may be.

YLD provides the opportunity to gain exposure to a long-short equity investment strategy by investing in long and short positions of equity or derivative securities that are listed on an exchange or marketplace in Canada and/or the U.S., as the case may be.

GAIN provides the opportunity to gain exposure to a long alternative asset allocation investment strategy by investing primarily in long positions of alternative funds that are listed on an exchange or marketplace in Canada.

The Portfolio Manager may use derivatives to execute all or a portion of ARB or YLD's long or short portfolio strategy, which derivatives are most likely to be options contracts. There are many factors that can impact the market price of an equity security. These factors include specific developments relating to the company that issued the securities, conditions in the market where the securities are traded, and general economic, financial and political conditions in the country or countries where the company operates. The value of equity securities generally tends to change more frequently and varies more widely than the value of fixed income securities.

Please see "Investment Objectives" and "Investment Strategies" for additional information on the sectors applicable to the Accelerate Funds.

## **INVESTMENT RESTRICTIONS**

The Accelerate Funds are subject to certain restrictions and practices contained in securities legislation, including NI 81-102, but certain restrictions and practices that are applicable to conventional mutual funds are not applicable to an Accelerate Fund because it is an "alternative mutual fund". The Accelerate Funds are managed in accordance with the restrictions and practices applicable to alternative mutual funds, except as otherwise permitted by exemptions obtained from the Canadian securities regulatory authorities. See "Exemptions and Approvals". The term "alternative mutual fund" includes, among others, a mutual fund that has adopted fundamental investment objectives that permit it to use or invest in specified derivatives, to borrow cash or to engage in short selling in a manner that is not permitted by other mutual funds under NI 81-102.

A change to the investment objective of an Accelerate Fund would require the approval of the Unitholders. Please see "Unitholder Matters – Matters Requiring Unitholders Approval".

Each Accelerate Fund is also restricted from making an investment or undertaking an activity that would result in the Accelerate Fund failing to qualify as a "mutual fund trust" for the purposes of the Tax Act. In addition, an Accelerate Fund may not invest in any property or engage in any undertaking that would cause the Accelerate Fund to be a SIFT trust.

### **Exemptions and Approvals**

Each Accelerate Fund has obtained exemptive relief from the Canadian securities regulatory authorities to:

- (i) permit the purchase on a marketplace by a Unitholder of more than 20% of the Units of the Accelerate Fund without regard to the takeover bid requirements of applicable Canadian securities legislation; and
- (ii) relieve the Accelerate Fund from the requirement to include in the prospectus a certificate of an underwriter.

In addition, each of ARB and YLD has obtained exemptive relief from the Canadian securities regulatory authorities to sell short an aggregate market value of securities up to 100% of their respective NAVs, provided that immediately after the transaction: (A) the aggregate market value of all securities sold short by the applicable Accelerate Fund does not exceed 100% of the Accelerate Fund's NAV; (B) the aggregate value of cash borrowing by the Fund does not exceed 50% of the Accelerate Fund's NAV; and (C) the aggregate market value of securities sold short by the Accelerate Fund combined with the aggregate value of cash borrowing by the Accelerate Fund does not exceed 100% of the Accelerate Fund's NAV.

## **FEES AND EXPENSES**

This section details the fees and expenses that a Unitholder may have to pay if the Unitholder invests in an Accelerate Fund. A Unitholder may have to pay some of these fees and expenses directly. An Accelerate Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Accelerate Fund.

## Fees and Expenses Payable by the Accelerate Funds

### Management Fee

Each Accelerate Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the Units of the Fund. The management fee, plus applicable GST/HST, is calculated and accrued daily and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

| Accelerate Fund                                       | Annual Management Fee (%)   |
|---|---|
| Accelerate Arbitrage Fund                             | 0.95%   |
| Accelerate Market Neutral Yield Fund                  | 0.95%   |
| Accelerate Multi-Strategy Alternative Allocation Fund | 0.20% + the management fees of the Underlying Funds <sup>(1)(2)</sup> |

#### Note:

- (1) The Accelerate Multi-Strategy Alternative Allocation Fund has a base management fee of 0.20% payable to the Manager and it invests, directly or indirectly, in one or more of the Underlying Funds. The fees and expenses payable for the management and advisory services of the Underlying Funds are in addition to the base management fee of 0.20% payable by the Accelerate Multi-Strategy Alternative Allocation Fund. As a result, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in an Underlying Fund that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee of the Underlying Fund on the portion of its assets that it invests in such Underlying Fund (which would be an aggregate of 1.15% in the case of Accelerate Arbitrage Fund or Accelerate Market Neutral Yield Fund). In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee, as and if applicable, of such fund. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests in an Underlying Fund that has a performance fee, the Accelerate Multi-Strategy Alternative Allocation Fund will bear such performance fee. See Note 2. Neither an Accelerate Fund nor any Underlying Fund pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an Underlying Fund. However, commissions are paid for the purchase of an Underlying Fund that is an ETF.
- (2) To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Absolute Return Hedge Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Absolute Return Hedge Fund, which such performance incentive fee is equal to 20% of the amount by which the Accelerate Absolute Return Hedge Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Enhanced Canadian Benchmark Alternative Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Enhanced Canadian Benchmark Alternative Fund, which such performance incentive fee, calculated quarterly, is equal to 50% of the positive amount by which the Accelerate Enhanced Canadian Benchmark Alternative Fund's cumulative total return exceeds the performance of the S&P/TSX Composite Total Return Index for such period. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Private Equity Alpha Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Private Equity Alpha Fund, which such performance incentive fee is equal to 15% of the amount by which the Accelerate Private Equity Alpha Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. See the Accelerate Absolute Return Hedge Fund, the Accelerate Enhanced Canadian Benchmark Alternative Fund and the Accelerate Private Equity Alpha Fund prospectus dated March 22, 2019 for more information regarding the above noted performance incentive fees. In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a performance incentive fee, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, as and if applicable, of such fund.

### Management Fee Distributions

In respect of large investments in an Accelerate Fund by a particular Unitholder or for other purposes, the Manager may, in its discretion, agree to charge the Accelerate Fund a reduced management fee as compared to the management fee that it otherwise would be entitled to receive, provided that an amount equal to the reduction in the management fee is distributed periodically by the Accelerate Fund to the Unitholder as a Management Fee Distribution. The

availability and amount of these Management Fee Distributions is determined by the Manager in its sole discretion. The Manager reserves the right to discontinue or change this Management Fee Distribution program at any time. The tax consequences of a Management Fee Distribution will generally be borne by the Unitholder who receives the distribution.

### ***Operating Expenses***

In addition to any management fee, each Accelerate Fund pays all of its operating expenses, including: (i) brokerage expenses and commissions, any related transaction fees and other costs and expenses of portfolio transactions; (ii) the costs, including interest, incurred in connection with the short selling of securities; (iii) the costs, including interest, incurred in connection with cash borrowings; (iv) the fees under any derivative instrument used by the Accelerate Fund; (v) the cost of complying with governmental or regulatory requirements introduced after the date of creation of the Accelerate Fund, including, without limitation, any new fees or increases in fees (these costs will be assessed based on the extent and nature of these new requirements); (vi) the fees related to external services that are not commonly charged in the Canadian exchange-traded fund industry as of the date of creation of the Accelerate Fund; (vii) the fees payable to the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the Borrowing Agent, the Lender, the auditor, legal counsel and other service providers retained by the Manager; (viii) the fees and expenses relating to the implementation and ongoing operation of the IRC; (ix) any termination costs that may be allocated by the Manager to the Accelerate Fund; (x) the fees payable to CDS in respect of the Accelerate Fund; (xi) all other fees and expenses incurred in connection with the operation and administration of the Accelerate Fund; (xii) any GST/HST on those expenses; and (xiii) any income, withholding or other taxes. These expenses, other than the management fee and any applicable GST/HST on the management fee, are all of the operating expenses payable by each Accelerate Fund.

The Manager may decide, in its discretion, to pay for some of these operating expenses that are otherwise payable by the Accelerate Funds, rather than having the Accelerate Funds incur such operating expenses. The Manager is under no obligation to do so and, if any operating expenses are reimbursed by the Manager, it may discontinue this practice at any time.

### ***Fund of Fund Investments***

The Accelerate Multi-Strategy Alternative Allocation Fund has a base management fee of 0.20% and it invests, directly or indirectly, in one or more of the Underlying Funds. The fees and expenses payable for the management and advisory services of the Underlying Funds are in addition to the base management fee of 0.20% payable by the Accelerate Multi-Strategy Alternative Allocation Fund. As a result, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in an Underlying Fund that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee of the Underlying Fund on the portion of its assets that it invests in such Underlying Fund (which would be an aggregate of 1.15% in the case of Accelerate Arbitrage Fund or Accelerate Market Neutral Yield Fund). In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee, as and if applicable, of such fund.

To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Absolute Return Hedge Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Absolute Return Hedge Fund, which such performance incentive fee is equal to 20% of the amount by which the Accelerate Absolute Return Hedge Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Enhanced Canadian Benchmark Alternative Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Enhanced Canadian Benchmark Alternative Fund, which such performance incentive fee, calculated quarterly, is equal to 50% of the positive amount by which the Accelerate Enhanced Canadian Benchmark Alternative Fund's cumulative total return exceeds the performance of the S&P/TSX Composite Total Return Index for such period. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Private Equity Alpha Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Private

Equity Alpha Fund, which such performance incentive fee is equal to 15% of the amount by which the Accelerate Private Equity Alpha Fund's NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. See the Accelerate Absolute Return Hedge Fund, the Accelerate Enhanced Canadian Benchmark Alternative Fund and the Accelerate Private Equity Alpha Fund prospectus dated March 22, 2019 for more information regarding the above noted performance incentive fees. In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a performance incentive fee, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, as and if applicable, of such fund.

Neither an Accelerate Fund nor any Underlying Fund pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an Underlying Fund. However, commissions are paid for the purchase of an Underlying Fund that is an ETF.

### **Fees and Expenses Payable Directly by Unitholders**

#### ***Other Charges***

An amount may be charged to a Designated Broker or Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of Units of an Accelerate Fund. This charge, which is payable to the Accelerate Fund, does not apply to Unitholders who buy and sell their Units through the facilities of the TSX or on another exchange or marketplace. See "Purchases of Units" and "Redemption of Units".

### **RISK FACTORS**

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units.

#### **General Risks**

##### ***Alternative Mutual Fund Risk***

Each Accelerate Fund is an alternative mutual fund, which means that it uses investment strategies that are generally prohibited by other types of conventional mutual funds. Each Accelerate Fund sells short securities in order to create leverage in the Accelerate Fund. In addition, ARB and YLD may use derivatives to gain exposure to its portfolio assets in a manner that creates additional leverage in the Accelerate Fund.

Each of ARB and YLD have obtained exemptive relief from the Canadian securities regulatory authorities to permit each of them to sell short an aggregate market value of securities up to 100% of their respective NAVs, which exceeds the typical 50% limit for alternative mutual funds under applicable securities legislation. The use of these investment strategies may increase the risk to Unitholders of losing money or losing their investments in ARB or YLD as compared to other alternative mutual funds.

The combined leverage achieved through short selling and the use of derivatives for non-hedging purposes is limited to no more than 300% of the Accelerate Fund's NAV.

For information regarding the risks associated with these strategies, please see "Short Selling Risk", "Leverage Risk" and "Derivatives Risk" below.

##### ***Market Risk***

There are risks associated with being invested in the equity markets generally. Equity investments, such as stocks and investments in trusts, carry several risks that are specific to the company that issues the investments. A number of factors may cause the price of these investments to fall. These factors include specific developments relating to the company, conditions in the market where these investments are traded, and general economic, financial and political conditions in the countries where the company operates. While these factors impact all securities issued by a company,

the values of equity securities generally tend to change more frequently and vary more widely than fixed income securities. As each Accelerate Fund's NAV is based on the value of its portfolio securities, an overall decline in the value of portfolio securities that it holds will reduce the value of the Accelerate Fund and, therefore, the value of the Units of such Accelerate Fund.

***Short Selling Risk***

A short sale by an Accelerate Fund involves borrowing securities from the Borrowing Agent, which are then sold in the open market. At a future date, the securities are repurchased by the Accelerate Fund and returned to the Borrowing Agent. If the value of the securities sold short declines between the time that the Accelerate Fund borrows the securities and the time it repurchases and returns the securities to the Borrowing Agent, the Accelerate Fund makes a profit on the difference. An Accelerate Fund will be required to deposit assets with the Borrowing Agent as security for its obligations in connection with the short sales.

Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for an Accelerate Fund. Securities sold short may instead appreciate in value, creating a loss for the Accelerate Fund. Unlike a purchase of a share where the maximum amount of the loss is the amount invested, the size of the loss in respect of a short sale is not limited, as there is no limit on the amount a security sold short may increase in value. An Accelerate Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The Borrowing Agent may also recall borrowed securities at any time. The Borrowing Agent may go bankrupt and the Accelerate Fund may lose the collateral it has deposited with the Borrowing Agent.

Each of ARB and YLD has obtained exemptive relief from the Canadian securities regulatory authorities to permit each of them to sell short an aggregate market value of securities up to 100% of their respective NAVs, which exceeds the typical 50% limit for alternative mutual funds under applicable securities legislation. The use of these investment strategies may increase the risk to Unitholders of losing money or losing their investments in ARB or YLD as compared to other alternative mutual funds.

***Leverage Risk***

Each of ARB and YLD use leverage by selling securities short and using the cash proceeds from such short sales to buy additional equity securities. The aggregate market value of the securities sold short by ARB or YLD will not exceed 100% of its NAV. ARB may use leverage by borrowing cash and using the cash to purchase additional long positions. The amount of cash borrowed will not exceed 50% of ARB's NAV. In addition, ARB and YLD may use leverage by entering into derivatives for non-hedging purposes. The aggregate notional amount of all derivatives used by ARB or YLD for non-hedging purposes will not exceed 100% of ARB or YLD's respective NAV.

Leverage increases both the potential return and the risk of loss on any investment position. Each Accelerate Fund is subject to a gross aggregate exposure limit of 300% of its NAV, which is calculated by adding together the market value of its short positions, the value of any outstanding cash borrowing and the aggregate notional value of its specified derivatives positions that are not entered into for hedging purposes. This leverage calculation must be determined on a daily basis.

The maximum aggregate exposure of each Accelerate Fund to cash borrowing, short selling and specified derivatives will not exceed the amounts set out in the table below:

| <b>Accelerate Fund</b>               | <b>Maximum Aggregate Exposure as a Percentage of NAV</b> |
|--------------------------------------|--|
| Accelerate Arbitrage Fund            | 300%   |
| Accelerate Market Neutral Yield Fund | 300%   |

### ***Concentration Risk***

An Accelerate Fund will concentrate its investment by country and may also concentrate its investments in a relatively small number of securities. This may result in higher volatility, as the value of the Accelerate Fund will vary more in response to changes in the market value of these countries and securities. Each Accelerate Fund is subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102. The Accelerate Funds are subject to increased concentration risk as compared to a conventional mutual fund because each Accelerate Fund is permitted to invest up to 20% of its NAV in the securities of a single issuer.

### ***Model and Data Risk***

Given the complexity of the investments and strategies of the Accelerate Funds, the Portfolio Manager relies heavily on quantitative models and information and data supplied by third parties (“**Models and Data**”). Models and Data are used to construct sets of transactions and investments, provide risk management insights and assist in hedging each Accelerate Fund’s investments. When Models and Data prove to be incorrect or incomplete, any decision made in reliance thereon exposes the applicable Accelerate Fund to potential risks. Similarly, any hedging based on faulty Models and Data may prove to be unsuccessful. Some of the models used by the Portfolio Manager for the Accelerate Funds are predictive in nature. The use of predictive models has inherent risks. Because predictive models are usually constructed based on historical data supplied by third parties, the success of relying on such models may depend heavily on the accuracy and reliability of the supplied historical data. An Accelerate Fund bears the risk that the quantitative models used by the Portfolio Manager will not be successful in selecting investments or in determining the weighting of investment positions that will enable the Accelerate Fund to achieve its investment objective. All models rely on correct data inputs. If incorrect market data is entered into even a well-founded model, the resulting information will be incorrect. However, even if market data is input correctly, “model prices” will often differ substantially from market prices, especially for instruments with complex characteristics, such as derivative instruments.

### ***Portfolio Turnover Risk***

The investment techniques and strategies utilized by the Portfolio Manager, including investments made on a shorter-term basis or in derivative instruments or instruments with a maturity of one year or less at the time of acquisition, may result in frequent portfolio trading and high portfolio turnover.

Depending on market conditions, the Portfolio Manager’s active investment style may result in a higher portfolio turnover rate than less actively managed funds. Generally, the higher a mutual fund’s portfolio turnover rate, the higher its trading expenses. There is no proven relationship between a high turnover rate and the performance of a mutual fund. High portfolio turnover rates will cause an Accelerate Fund to incur higher levels of brokerage fees and commissions, which may reduce performance, and may cause higher levels of current tax liability to the Unitholders of the Accelerate Fund.

### ***Absence of Active Market Risk***

Each Accelerate Fund is a newly organized exchange-traded fund with no previous operating history. Although the Accelerate Funds may be listed on the TSX, there can be no assurance that an active public market for the Units will develop or be sustained.

### ***Trading Price of Units Risk***

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in an Accelerate Fund’s NAV, as well as market supply and demand on the TSX or on another exchange or marketplace. However, as Designated Brokers and Dealers subscribe for and exchange Prescribed Number of Units of an Accelerate Fund at the NAV per Unit, large discounts or premiums to NAV should not be sustained.

### ***Fluctuations in NAV Risk***

The NAV per Unit of an Accelerate Fund will vary according to, among other things, the value of the securities and other investment positions held by the Accelerate Fund. The Manager and the Accelerate Funds have no control over the factors that affect the value of the securities and investments held by the Accelerate Funds, including factors that affect markets generally, such as general economic and political conditions and fluctuations in interest rates, and factors unique to each issuer of the securities held by the Accelerate Funds, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

### ***Large Transaction Risk***

The Units may be bought by other investment funds, financial institutions in connection with other investment offerings and/or investors who participate in an asset allocation program or model portfolio program. Independently or collectively, these other parties may, from time to time, purchase, hold or sell a large proportion of an Accelerate Fund's Units. A large purchase of an Accelerate Fund's Units could result in a subscription of additional Units by a Designated Broker or Dealer, which, in the unlikely event that the Designated Broker or Dealer subscribes for Units in cash, could create a relatively large cash position in the Accelerate Fund's portfolio. The presence of this cash position may adversely impact the performance of the Accelerate Fund. The investment of this cash position may also result in significant incremental trading costs, although these costs are generally borne by the applicable Dealer. Conversely, a large sale of an Accelerate Fund's Units could result in a large redemption of Units by a Designated Broker or Dealer, which may require the Accelerate Fund to sell portfolio investments so that it can pay the redemption proceeds. This sale may impact the market value of those portfolio investments and it may accelerate or increase the payment of capital gains distributions or capital gains dividends to these investors. In addition, this sale may result in significant incremental trading costs, although these costs are generally borne by the applicable Dealer.

### ***Illiquid Securities Risk***

If an Accelerate Fund is unable to dispose of some or all of the securities held by it, or is unable to do so at prices that reflect the fair value of such investments, that Accelerate Fund may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities.

### ***Legislation Risk***

Securities, tax or other regulators make changes to legislation, rules and administrative practice. Those changes may have an adverse impact on the value of the Accelerate Funds.

### ***Taxation Risk***

The Accelerate Funds will be subject to certain tax risks generally applicable to Canadian investment funds, including the following.

Each Accelerate Fund is expected to qualify or be deemed to qualify at all material times as a mutual fund trust under the Tax Act. If an Accelerate Fund does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Income Tax Considerations" could be materially and adversely different in some respects regarding that Accelerate Fund. For example, if an Accelerate Fund does not qualify as a mutual fund trust within the meaning of the Tax Act throughout a taxation year, the Accelerate Fund may be liable to pay alternative minimum tax and for tax under Part XII.2 of the Tax Act, and would not be entitled to the Capital Gains Refund. In addition, if an Accelerate Fund does not qualify as a mutual fund trust, it may be subject to the "mark-to-market" rules under the Tax Act if more than 50% of the fair market value of the Units are held by "financial institutions" within the meaning of the Tax Act for purposes of the "mark-to-market" rules.

The use of derivative strategies may also have a tax impact on an Accelerate Fund. In general, gains and losses realized by an Accelerate Fund from derivative transactions will be on income account, except where such derivatives are used to hedge portfolio securities held on capital account and provided there is sufficient linkage. An Accelerate Fund will

generally recognize gains or losses under a derivative contract when it is realized by the Accelerate Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Accelerate Fund at such times and such gains may be taxed as ordinary income. To the extent such income is not offset by any available deductions, it would be distributed to applicable Unitholders of the Accelerate Fund in the taxation year in which it is realized and included in such Unitholder's income for the year.

There can be no assurance that the CRA will agree with the tax treatment adopted by an Accelerate Fund in filing its tax return. The CRA could reassess the Accelerate Fund on a basis that results in tax being payable by the Accelerate Fund or in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Accelerate Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of, or trading prices of, Units of the Accelerate Fund.

If an Accelerate Fund experiences a "loss restriction event" for the purposes of the Tax Act, the taxation year of the Accelerate Fund will be deemed to end and the Accelerate Fund will be deemed to realize its unrealized capital losses. The Accelerate Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted capital losses and non-capital losses will expire and may not be deducted from the Accelerate Fund in future years, with the result that income and capital gains distributions in the future may be larger. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of an Accelerate Fund for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Accelerate Fund will not be liable for ordinary income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Accelerate Fund and the Units of the Accelerate Fund are immediately consolidated to the pre-distribution NAV. It may not be possible for an Accelerate Fund to determine if or when a loss restriction event has occurred because of the nature of its investments and the way Units are bought and sold. Therefore, there can be no assurances that an Accelerate Fund will not experience a loss restriction event and there can be no assurances regarding when or to whom the distributions resulting from a loss restriction event will be made, or that the Accelerate Fund will not be required to pay tax notwithstanding such distributions.

An Accelerate Fund will be a SIFT trust if it holds a "non-portfolio property" (as defined in the Tax Act). A SIFT trust will generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property and net taxable capital gains realized on the disposition of a non-portfolio property. Unitholders who receive distributions from a SIFT trust of income and capital gains are deemed to receive an eligible dividend from a Canadian corporation for tax purposes. The total of the tax payable by an Accelerate Fund on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Declaration of Trust requires each Accelerate Fund to restrict its investments and activities so that it will not be a SIFT trust.

If an Accelerate Fund realizes income or capital gains as a result of the transfer or disposition of its property undertaken to permit an exchange or redemption of Units by a Unitholder, allocation of fund-level income and capital gains will follow the Declaration of Trust. The Notice of Ways and Means Motion released by the Minister of Finance (Canada) on July 30, 2019 proposed amendments to the Tax Act that would (a) effective for taxation years of an Accelerate Fund beginning on or after March 19, 2019, deny the Accelerate Fund a deduction for any income of the Accelerate Fund designated to a Unitholder on a redemption of a Unit, where the Unitholder's proceeds of disposition are reduced by the designation, and (b) effective for taxation years of an Accelerate Fund beginning on or after March 20, 2020, deny the Accelerate Fund a deduction for the portion of a capital gain of the Accelerate Fund designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain on those Units, where the Unitholder's proceeds of disposition are reduced by the designation. If such proposed amendments to the Tax Act are enacted in their current form, any income or taxable capital gains that would otherwise have been designated to redeeming Unitholders may be made payable to the remaining non-redeeming Unitholders to ensure the Accelerate Fund will not be liable for non-refundable income tax thereon. Accordingly, the amounts of taxable distributions made to Unitholders of an Accelerate Fund may be greater than they would have been in the absence of such amendments.

### ***Securities Lending Risk***

The Accelerate Funds are eligible to enter into securities lending transactions. In a securities lending transaction, an Accelerate Fund lends its securities through an authorized agent to another party (often called a “**counterparty**”) in exchange for a fee and a form of acceptable collateral. Some of the general risks associated with securities lending transactions include: (i) when entering into securities lending transactions, an Accelerate Fund is subject to the credit risk that the counterparty may go bankrupt or may default under the agreement and the Accelerate Fund would be forced to make a claim in order to recover its investment; and (ii) when recovering its investment on a default, an Accelerate Fund could incur a loss if the value of the securities loaned has increased in value relative to the value of the collateral held by the Accelerate Fund.

### ***Cease Trading of Securities Risk***

If securities held by an Accelerate Fund are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units of the Accelerate Fund until such time as the transfer of the securities is permitted. Trading of Units on certain marketplaces may be halted by the activation of individual or market-wide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the TSX, trading of Units may also be halted if: (i) the Units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect Unitholders.

### ***Halted Trading of Units Risk***

Trading of Units on the TSX may be halted by the activation of individual or market-wide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). Trading of Units may also be halted if: (i) the Units are delisted from the TSX without first being listed on another exchange; or (ii) TSX officials determine that such action is appropriate in the interest of a fair and orderly market or to protect Unitholders.

### ***Cyber Security Risk***

Due to the widespread use of technology in the course of business, the Accelerate Funds have become potentially more susceptible to operational risks through breaches in cyber security. Cyber security is the risk of harm, loss and liability resulting from a failure, disruption or breach of an organization’s information technology systems. It refers to both intentional and unintentional events that may cause an Accelerate Fund to lose proprietary information, suffer data corruption or lose operational capacity. This in turn could cause the Manager and/or an Accelerate Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to an Accelerate Fund’s digital information systems (e.g., through “hacking” or malicious software coding), but may also result from outside attacks, such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of an Accelerate Fund’s third-party services provider (e.g., custodian, registrar and transfer agent and fund administrator) or issuers that an Accelerate Fund invests in can also subject an Accelerate Fund to many of the same risks associated with direct cyber breaches. Similar to operational risks in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third-party service providers.

## **Additional Risks Relating to an Investment in one or more Accelerate Funds**

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Accelerate Funds, as indicated in the table below. A description of each of these risks, listed in alphabetical order, follows the table.

| <b>Accelerate Fund</b>               | <b>Additional Risks</b>                 |
|--------------------------------------|---|
| Accelerate Arbitrage Fund            | derivatives risk; foreign currency risk |
| Accelerate Market Neutral Yield Fund | derivatives risk; foreign currency risk |

### ***Derivatives Risk***

ARB and YLD may use derivatives to pursue their respective investment objectives. Generally, a derivative is a contract between two parties whose value is determined with reference to the market price of an asset, such as a currency, commodity or stock, or the value of an index or an economic indicator, such as a stock market index or a specified interest rate (the “**underlying interest**”)

Some derivatives are settled by one party’s delivery of the underlying interest to the other party; others are settled by a cash payment representing the value of the contract.

The use of derivatives carries several risks, including: (i) there is no guarantee that a market will exist for some derivatives, which could prevent an Accelerate Fund from selling or exiting the derivative prior to the maturity of the contract. This risk may restrict an Accelerate Fund’s ability to realize its profits or limit its losses; (ii) it is possible that the other party to the derivative contract (“**counterparty**”) will fail to perform its obligations under the contract, resulting in a loss to the Accelerate Fund; (iii) when entering into a derivative contract, an Accelerate Fund may be required to provide margin or collateral to the counterparty. If the counterparty becomes insolvent, the Accelerate Fund could lose its margin or its collateral or incur expenses to recover it; and (iv) securities and commodities exchanges could set daily trading limits on options and futures. Such rule changes could prevent an Accelerate Fund from completing a futures or options transaction, causing the Accelerate Fund to realize a loss because it cannot hedge properly or limit a loss.

In accordance with NI 81-102, an Accelerate Fund’s counterparty credit risk in connection with over-the-counter derivatives is limited to an amount up to 10% of the total assets of the Accelerate Fund unless the counterparty meets the credit rating requirement set out in NI 81-102.

### ***Foreign Currency Risk***

The NAV of the Accelerate Funds is calculated in Canadian dollars. ARB and YLD each have U.S. dollar exposure and changes in the U.S. dollar exchange rate will affect the NAV of these Accelerate Funds. When investments are purchased in U.S. dollars, the value of those investments will be affected by the value of the Canadian dollar relative to the value of the U.S. dollar. If the Canadian dollar rises in value relative to the U.S. dollar, but the value of the investment otherwise remains constant, the value of the investment in Canadian dollars will have fallen. Similarly, if the value of the Canadian dollar has fallen relative to the U.S. dollar, the value of such the investment will have increased.

### ***Underlying Fund Risk***

The securities of an underlying fund in which an Accelerate Fund may invest may trade below, at or above their NAV per security. The NAV per security of the underlying fund will fluctuate with changes in the market value of that underlying fund’s holdings. The trading prices of the securities of those underlying funds will fluctuate in accordance with changes in the applicable fund’s NAV per security, as well as market supply and demand on the stock exchanges on which those funds are listed and other trading venues.

If an Accelerate Fund purchases a security of an underlying fund at a time when the market price of that security is at a premium to the NAV per security or sells a security at a time when the market price of that security is at a discount to the NAV per security, the Accelerate Fund may sustain a loss.

### **Risk Classification Methodology**

The investment risk level of each Accelerate Fund is required to be determined in accordance with a standardized risk classification methodology that is based on the historical volatility of the Accelerate Fund, as measured by the 10-year standard deviation of the returns of the Accelerate Fund. As the Accelerate Funds have less than 10 years of performance history, the Manager calculates the investment risk level of each Accelerate Fund using a reference index that is expected to reasonably approximate the standard deviation of the Accelerate Fund. Once an Accelerate Fund has 10 years of performance history, the methodology will calculate the standard deviation of the Accelerate Fund using the return history of the Accelerate Fund rather than that of the reference index. Based on the reference indices described below, the Accelerate Funds have been assigned the investment risk ratings set out below.

| <b>Accelerate Fund</b>                                | <b>Risk Rating</b> | <b>Reference Index Used</b>  |
|---|--------------------|--|
| Accelerate Arbitrage Fund                             | Low                | S&P Merger Arbitrage Index, a merger arbitrage equities index.           |
| Accelerate Market Neutral Yield Fund                  | Low                | FTSE Canada All Government Bond Index, a Canadian government bond index. |
| Accelerate Multi-Strategy Alternative Allocation Fund | Low-Medium         | Scotiabank Canadian Hedge Fund Index Equal Weighted                      |

Unitholders should know that other types of risks, both measurable and non-measurable, exist. Also, just as historical performance may not be indicative of future returns, historical volatility may not be indicative of future volatility. The risk rating of each Accelerate Fund set out above is reviewed annually and anytime that it is no longer reasonable in the circumstances. A more detailed explanation of the risk classification methodology used to identify the risk rating of each Accelerate Fund is available on request, at no cost, by calling toll free at 1-855-892-0740 or by writing to Accelerate Financial Technologies Inc., Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2.

## **DISTRIBUTION POLICY**

### **Distributions**

The Accelerate Funds intend to distribute cash, if any, periodically as set out in the following table:

| <b>Accelerate Fund</b>                                | <b>Cash Distribution Frequency</b> |
|---|------------------------------------|
| Accelerate Arbitrage Fund                             | Quarterly                          |
| Accelerate Market Neutral Yield Fund                  | Quarterly                          |
| Accelerate Multi-Strategy Alternative Allocation Fund | Quarterly                          |

Cash distributions are expected to consist primarily of income but may, at the Manager's discretion, include capital gains and/or returns of capital.

The Accelerate Funds do not have a fixed distribution amount. The amount and frequency of distributions, if any, will be based on the Manager's assessment of anticipated cash flow and anticipated expenses of the applicable Accelerate Fund from time to time.

The date of any cash distribution of each Accelerate Fund will be announced in advance by issuance of a press release. The Manager may, in its complete discretion, change the frequency of these distributions and any such change will be announced by issuance of a press release.

At the end of each taxation year, each Accelerate Fund will distribute to its Unitholders a sufficient amount of its net income and net realized capital gains so that the Accelerate Fund will not be liable for ordinary income tax, which distribution will be automatically reinvested in additional Units of the Accelerate Fund. Immediately following such reinvestment, the number of Units outstanding will be consolidated so that the NAV per Unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. In the case of a non-resident Unitholder, if tax has to be withheld in respect of the distribution, the Unitholder's Canadian market intermediaries may debit his, her or its account for any such required withholding tax.

Units of the Accelerate Funds trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that subscribes for Units during the period that is one business day before a distribution record date until that distribution record date will not be entitled to receive the applicable distribution in respect of those Units. Income and/or capital gains of an Accelerate Fund may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units.

The Management Fee will be paid generally first out of the net income and net realized capital gains of the Accelerate Funds and then out of capital.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

## **PURCHASES OF UNITS**

### **Continuous Distribution**

Units of each Accelerate Fund are being offered on a continuous basis and there is no maximum number of Units that may be issued.

### **Initial Investment in the Accelerate Funds**

In compliance with NI 81-102, each Accelerate Fund will not issue Units to the public until subscriptions aggregating not less than \$500,000 have been received by the Accelerate Fund from Unitholders other than persons or companies related to the Manager or its affiliates and have been accepted by the Accelerate Fund.

### **Designated Brokers**

Each Accelerate Fund has a Designated Broker. The Manager, on behalf of each Accelerate Fund, has entered into a designated broker agreement with a Designated Broker pursuant to which the Designated Broker has agreed to perform certain duties relating to the Accelerate Fund including, without limitation: (i) to subscribe for a sufficient number of Units to satisfy the TSX's original listing requirements; (ii) to subscribe for Units when cash redemptions of Units occur as described under "Redemption of Units"; and (iii) to post a liquid two-way market for the trading of Units on the TSX.

In accordance with the designated broker agreement, the Manager may from time to time require the Designated Broker to subscribe for Units of an Accelerate Fund for cash.

### **Issuance of Units**

#### ***To Designated Brokers and Dealers***

Generally, all orders to purchase Units directly from an Accelerate Fund must be placed by a Designated Broker or a Dealer. The Accelerate Funds reserve the absolute right to reject any subscription order placed by a Designated Broker or a Dealer. No fees will be payable by the Accelerate Funds to a Designated Broker or a Dealer in connection with the issuance of Units. On the issuance of Units, an amount may be charged to a Designated Broker or a Dealer to offset the expenses incurred in issuing the Units.

After the initial issuance of Units of an Accelerate Fund to the Designated Broker to satisfy the TSX's original listing requirements, on any Trading Day, a Dealer (who may also be a Designated Broker) may place a subscription order for a Prescribed Number of Units (and any additional multiple thereof) of the Accelerate Fund. If a subscription order is received by the Accelerate Fund by the Cut-Off Time on a Trading Day, the Accelerate Fund will issue to the Dealer a Prescribed Number of Units (and any additional multiple thereof) based on the NAV per Unit determined on the applicable Trading Day. If a subscription order is not received by the Cut-Off Time on a Trading Day, subject to the discretion of the Manager, the subscription order will be deemed to be received only on the next Trading Day.

For each Prescribed Number of Units issued, a Dealer must deliver payment consisting of, depending on the terms of the agreement with the Dealer or in the Manager's discretion: (i) one Basket of Securities and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; (ii) cash in an amount equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order; or (iii) a combination of securities and cash, as determined by the Manager, in an amount sufficient so that the value of the securities and cash received is equal to the aggregate NAV per Unit of the Prescribed Number of Units next determined following the receipt of the subscription order. The Manager will make available to the applicable Designated Broker and the Dealers information as to the Prescribed Number of Units and any Basket of Securities for each Accelerate Fund for each Trading Day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

#### ***To Designated Brokers in Special Circumstances***

Units may also be issued by an Accelerate Fund to its Designated Broker in certain special circumstances, including when cash redemptions of Units occur as described under "Redemption of Units – Redemption of Units for Cash".

#### ***To Unitholders***

Units may be issued by an Accelerate Fund to Unitholders on the automatic reinvestment of certain distributions as described under "Distribution Policy – Distributions", and "Income Tax Considerations — Taxation of the Accelerate Funds".

#### **Buying and Selling Units**

The TSX has conditionally approved the listing of the Units of the Accelerate Funds. Listing is subject to the Accelerate Funds fulfilling all of the requirements of the TSX on or before January 14, 2021, including distribution of the Units to a minimum number of public Unitholders.

Unitholders may incur customary brokerage commissions in buying or selling Units. No fees are paid by a Unitholder to the Manager or the Accelerate Funds in connection with the buying or selling of Units on the TSX or on another exchange or marketplace. Unitholder may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

#### **Special Considerations for Unitholders**

The provisions of the so-called "early warning" reporting requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the Units of the Accelerate Funds.

The Accelerate Funds have obtained exemptive relief to permit Unitholders to acquire more than 20% of the Units of any Accelerate Fund without regard to the takeover bid requirements of applicable Canadian securities legislation.

#### **Non-Resident Unitholders**

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of an Accelerate Fund at any time during which more than 10% of the property of the Accelerate Fund

consists of certain “taxable Canadian property” (as defined in the Tax Act). The Manager shall inform the Registrar and Transfer Agent of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of an Accelerate Fund then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of such Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident Unitholders and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may, on behalf of such Unitholders, sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager reasonably determines that the failure to take any such action would not adversely impact the status of the Accelerate Fund as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Accelerate Fund as a mutual fund trust for purposes of the Tax Act. Such action may include, without limitation, causing the Accelerate Fund to redeem the Units of that Unitholder for a redemption price equal to their NAV per Unit on the redemption date.

### **Registration and Transfer through CDS**

Registration of interests in, and transfers of, the Units will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for exchange or redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. All distributions and redemption proceeds in respect of Units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS Participants and, thereafter, by such CDS Participants to the applicable Unitholders. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

Neither the Accelerate Funds nor the Manager will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants. The rules governing CDS provide that it acts as the agent and depository for the CDS Participants. As a result, CDS Participants must look solely to CDS and persons, other than CDS Participants, having an interest in the Units must look solely to CDS Participants for payment made by the Accelerate Funds to CDS.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner’s interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

The Accelerate Funds have the option to terminate registration of the Units through the book-entry only system, in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

## **REDEMPTION OF UNITS**

### **Redemption of Units in any Number for Cash**

On any Trading Day, Unitholders may redeem Units of any Accelerate Fund in any number for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit. Because Unitholders will generally be able to sell Units at the market price on the TSX or on another exchange or marketplace through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

For such a cash redemption to be effective on a Trading Day, a cash redemption request in the form prescribed by the Manager from time to time must be delivered through a CDS Participant by 9:00 a.m. (Toronto time) on that day to the applicable Accelerate Fund at its head office or as the Manager may otherwise direct. If a cash redemption request is received after 9:00 a.m. (Toronto time) on a Trading Day, the cash redemption request will be effective only on the next Trading Day. Payment of the redemption price will be made by no later than the second business day after the effective day of the redemption. The cash redemption request forms may be obtained from the Manager.

Units of the Accelerate Funds trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that exercises this cash redemption right in respect of Units during the period that is one business day before a distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those Units. Income and/or capital gains of an Accelerate Fund may be distributed to a Unitholder as part of the price paid to the Unitholder on the exchange or redemption of Units.

In connection with the redemption of Units, an Accelerate Fund will generally dispose of securities or other assets in order to fund the required redemption proceeds. The redemption price paid to a Unitholder may include income and/or capital gains realized by the Accelerate Fund. The remaining portion of the exchange or redemption price will be proceeds of redemption.

The Manager reserves the right to cause an Accelerate Fund to redeem the Units held by a Unitholder at a price equal to the NAV per Unit on the effective date of such redemption if the Manager believes it is in the best interests of the Accelerate Fund to do so.

### **Exchange of Prescribed Number of Units**

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for, in the discretion of the Manager, Baskets of Securities and cash or only cash. To effect an exchange of Units, a Unitholder must submit an exchange request in the form prescribed by the Manager from time to time to the applicable Accelerate Fund at its head office or as the Manager may otherwise direct by the Cut-Off Time on a Trading Day. The exchange price will be equal to the aggregate NAV per Unit of the Prescribed Number of Units on the effective day of the exchange request, payable by delivery of Baskets of Securities (constituted prior to the receipt of the exchange request) and cash or only cash, depending on the terms of any agreement with the Unitholder or with the consent of the Manager. If the Unitholder receives only cash, the Manager may, in its discretion, require the Unitholder to pay or reimburse the Accelerate Fund for the trading expenses incurred or expected to be incurred by the Accelerate Fund in connection with the sale by the Accelerate Fund of securities in order to obtain the necessary cash to fund the exchange price. On an exchange, the applicable Units will be redeemed.

If an exchange request is not received by the Cut-Off Time on a Trading Day, subject to the discretion of the Manager, the exchange request will be deemed to be received only on the next Trading Day. Settlement of exchanges for Baskets of Securities and cash or only cash, as the case may be, will be made by no later than the second business day after the effective day of the exchange request.

The Manager will make available to the applicable Designated Broker and the Dealers information as to the Prescribed Number of Units and any Basket of Securities for each Accelerate Fund for each business day. The Manager may, in its discretion, increase or decrease the Prescribed Number of Units from time to time.

Units of the Accelerate Funds trade on an ex-dividend basis at the opening of trading on the date that is one business day prior to the record date for the applicable distribution. A Unitholder that exchanges or redeems Units during the period commencing on and including the business day that is one business day prior to the distribution record date until that distribution record date will be entitled to receive the applicable distribution in respect of those Units.

If securities held in the portfolio of an Accelerate Fund are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to a Unitholder on an exchange may be postponed until such time as the transfer of the securities is permitted by law.

### **Characterization of Redemption or Exchange Amount**

The exchange or redemption price paid to a Unitholder may include income and/or capital gains realized by the Accelerate Fund. The remaining portion of the exchange or redemption price will be proceeds of disposition.

As described under “Risk Factors – Taxation Risk”, the Notice of Ways and Means Motion proposed amendments to the Tax Act that would (a) effective for taxation years of an Accelerate Fund beginning on or after March 19, 2019, deny the Accelerate Fund a deduction for any income of the Accelerate Fund designated to a Unitholder on a redemption of a Unit, where the Unitholder’s proceeds of disposition are reduced by the designation, and (b) effective for taxation years of an Accelerate Fund beginning on or after March 20, 2020, deny the Accelerate Fund a deduction for the portion of a capital gain of the Accelerate Fund designated to a Unitholder on a redemption of Units that is greater than the Unitholder’s accrued gain. As a result, as of January 1, 2020, no amount of income is expected to be distributed to Unitholders as partial payment of their redemption price.

### **Suspension of Exchanges and Redemptions**

The Manager may suspend the exchange and/or redemption of Units or the payment of the exchange or redemption price of an Accelerate Fund: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Accelerate Fund are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Accelerate Fund, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Accelerate Fund; or (ii) with the prior permission of the securities regulatory authorities. The suspension shall apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have, and shall be advised that they have, the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with the official rules and regulations promulgated by any government body having jurisdiction over the Accelerate Funds, any declaration of suspension made by the Manager shall be conclusive.

### **Exchange and Redemption of Units through CDS Participants**

The exchange and redemption rights described above must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide exchange and/or redemption instructions to the CDS Participants through which they hold Units sufficiently in advance of the cut-off times set by CDS Participants to allow such CDS Participants to notify the Manager or as the Manager may direct prior to the relevant cut-off time.

## Short-Term Trading

The Manager does not believe that it is necessary to impose any short-term trading restrictions on the Accelerate Funds at this time, as the Accelerate Funds are exchange-traded funds that are primarily traded in the secondary market.

## INCOME TAX CONSIDERATIONS

In the opinion of Borden Ladner Gervais LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Accelerate Funds and for a prospective Unitholder in any Accelerate Fund who is an individual (other than a trust) and who, for the purpose of the Tax Act, is resident in Canada, holds Units of the Accelerate Fund either directly as capital property or in a Registered Plan, is not affiliated with the Accelerate Fund and deals at arm's length with the Accelerate Fund. This summary is based on the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) (the "**Minister**") prior to the date of this prospectus and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective Unitholders should therefore consult their own tax advisers about their individual circumstances.**

This summary is based on the assumption that each Accelerate Fund will: (i) qualify or be deemed to qualify as a "mutual fund trust" under the Tax Act at all material times; (ii) not be a "SIFT trust" as defined in section 122.1 of the Tax Act at any time; (iii) not invest in any "offshore investment fund property" as defined in section 94.1 of the Tax Act; (iv) not invest 10% or more in an "exempt foreign trust" as described in section 94.2 of the Tax Act; (v) not invest in securities of an issuer that would be treated as a "foreign affiliate" or a "controlled foreign affiliate" of the Accelerate Fund; and (vi) not enter into any arrangement where the result would be a "dividend rental arrangement" under the Tax Act. The Manager has advised counsel that it expects this to be the case and that these assumptions are reasonable.

### Status of the Accelerate Funds

This summary is based on the assumption that each Accelerate Fund will qualify as a "mutual fund trust" under the Tax Act effective at all material times. If an Accelerate Fund were not to so qualify as a mutual fund trust under the Tax Act throughout a taxation year, the Accelerate Fund, among other things: (i) may become liable for alternative minimum tax under the Tax Act in such year; (ii) would not be eligible for a Capital Gains Refund under the Tax Act for such year; (iii) may be subject to the "mark-to-market" rules described below; (iv) would be required to withhold on capital gains distributions made to Unitholders who are non-residents of Canada for purposes of the Tax Act; and (v) may be subject to a special tax under Part XII.2 of the Tax Act in such year.

If an Accelerate Fund does not qualify as a mutual fund trust and more than 50% (based on fair market value) of the Units of the Accelerate Fund are held by one or more Unitholders that are considered "financial institutions" for the purposes of certain mark-to-market rules in the Tax Act, then the Accelerate Fund itself will be treated as a financial institution under those rules. As a result, the Accelerate Fund will be required to recognize income for each taxation year during which it is a deemed financial institution on the full amount of any gains and losses accruing on certain types of securities that it holds, and also will be subject to special rules with respect to income inclusion on these securities. Any income arising from such treatment will be included in amounts to be distributed to Unitholders. If more than 50% of the Units of the Accelerate Fund cease to be held by financial institutions, the tax year of the Accelerate Fund will be deemed to end immediately before that time and any gains or losses accrued before that time will be deemed realized by the Accelerate Fund and will be distributed to Unitholders. A new taxation year for the Accelerate Fund will then begin and for that and subsequent taxation years, for so long as not more than 50% of the Units of the Accelerate Fund are held by financial institutions or the Accelerate Fund qualifies as a mutual fund trust, the Accelerate Fund will not be subject to these mark-to-market rules. Initially, following the creation of an Accelerate Fund, financial institutions will hold all the outstanding Units of the Accelerate Fund.

## Taxation of the Accelerate Funds

Each Accelerate Fund is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carryforwards) to the extent that it is not paid or payable to Unitholders. Each Accelerate Fund that is a mutual fund trust throughout its taxation year is entitled to a refund (“**Capital Gains Refund**”) of its tax liability on its net realized capital gains equal to an amount determined by formula under the Tax Act based on the redemption of Units during the year and accrued gains on the Accelerate Fund’s assets. The Declaration of Trust requires the Accelerate Fund to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that the Accelerate Fund will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund.

Each Accelerate Fund is required to calculate its net income, including net taxable capital gains, for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. Each Accelerate Fund is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and capital gains and losses when they are realized. Foreign source income received by the Accelerate Fund is generally received net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld are included in the calculation of the Accelerate Fund’s income. Trust income that is paid or becomes payable to the Accelerate Fund in a calendar year is generally included in income for the taxation year of the Accelerate Fund that ends in the calendar year. Trust income paid or payable to the Accelerate Fund by a Canadian-resident trust may have the character of ordinary property income, foreign source income, dividends received from a taxable Canadian corporation or capital gains.

Gains or losses realized by an Accelerate Fund on the disposition of securities held as capital property constitute capital gains or capital losses. Securities will generally be considered to be held by an Accelerate Fund as capital property unless the Accelerate Fund is considered to be trading or dealing in securities, or otherwise carrying on a business of buying and selling securities, or has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that each Accelerate Fund will purchase securities (other than derivative instruments) with the objective of earning income thereon and takes the position that gains and losses realized on the disposition of these securities are capital gains and capital losses. The Manager has also advised counsel that the Accelerate Funds will make an election under subsection 39(4) of the Tax Act so that all securities held by the Accelerate Funds that are “Canadian securities” (as defined in the Tax Act) will be deemed to be capital property to the Accelerate Funds. Generally, an Accelerate Fund will include gains and deduct losses on income account in connection with investments made through certain derivatives, such as cash-settled options, futures contracts, forward contracts, total return swaps and other derivative instruments, except where such derivatives are used to hedge investments of the Accelerate Fund’s capital property and there is sufficient linkage. An Accelerate Fund will generally recognize gains or losses under a derivative contract when it is realized by the Accelerate Fund upon partial settlement or upon maturity. This may result in significant gains being realized by the Accelerate Fund at such times and such gains may be taxed as ordinary income. In general, a gain or loss from short selling is treated as income rather than as a capital gain or loss; however, a gain or loss from short selling “Canadian securities” as defined in the Tax Act will be treated as a capital gain or loss.

Where an Accelerate Fund uses derivatives to closely hedge gains or losses on underlying capital investments held by the Accelerate Fund, the Accelerate Fund intends to treat these gains or losses on capital account. The derivative forward agreement rules in the Tax Act (the “**DFA Rules**”) target certain financial arrangements (described in the DFA Rules as “derivative forward agreements”) that seek to reduce tax by converting, through the use of derivative contracts, the return on investments that would have the character of ordinary income to capital gains. The DFA Rules will generally not apply to derivatives used to closely hedge gains or losses due to currency fluctuations on underlying capital investments of an Accelerate Fund. Hedging, other than currency hedging on underlying capital investments, which reduces tax by converting the return on investments that would have the character of ordinary income to capital gains through the use of derivative contracts, will be treated by the DFA Rules as on income account.

Each Accelerate Fund that invests in foreign denominated securities must calculate its adjusted cost base and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. Capital gains realized during a taxation year are reduced by capital losses realized during the year.

In certain circumstances, a capital loss realized by the Accelerate Fund may be denied or suspended and, therefore, may not be available to offset capital gains. For example, a capital loss realized by an Accelerate Fund will be suspended if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Accelerate Fund (or a person affiliated with the Accelerate Fund for the purposes of the Tax Act) acquires a property that is the same as or is identical to the particular property on which the loss was realized and owns that property at the end of the period.

A trust is generally subject to a “loss restriction event” for the purposes of the Tax Act each time a person or partnership becomes a “majority-interest beneficiary” of the trust for the purposes of the Tax Act. Generally, a majority-interest means more than 50% of the fair market value of the trust held by the person or partnership and affiliates. However, no person or partnership will be or become a “majority-interest beneficiary” of an Accelerate Fund if the Accelerate Fund qualifies as an “investment fund” under the Tax Act by satisfying certain investment diversification and other conditions. If an Accelerate Fund experiences a loss restriction event, the taxation year of the Accelerate Fund will be deemed to end and the Accelerate Fund will be deemed to realize its capital losses. Each Accelerate Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted losses will generally expire and may not be deducted by the Accelerate Fund in future years. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of the Accelerate Fund for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Accelerate Fund will not be liable for ordinary income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Accelerate Fund and the Units of the Accelerate Fund are immediately consolidated to the pre-distribution NAV per Unit.

#### **Taxation of Unitholders (other than Registered Plans)**

##### ***Distributions***

A Unitholder is required to include in computing income for tax purposes, the Canadian dollar amount of any income and the taxable portion of any capital gains of an Accelerate Fund that is paid or payable to the Unitholder in the year, whether such amounts are paid in cash or reinvested in additional Units. The non-taxable portion of any capital gains of an Accelerate Fund that is paid or payable to the Unitholder in the year is not included in the Unitholder’s income and, provided the Accelerate Fund makes the appropriate designation on its tax return, does not reduce the adjusted cost base of the Unitholder’s Units of the Accelerate Fund. Any other non-taxable distribution, such as a return of capital, reduces the Unitholder’s adjusted cost base. A Unitholder is deemed to realize a capital gain to the extent that the adjusted cost base of the Unitholder’s Units would otherwise become a negative amount and the adjusted cost base is nil immediately thereafter.

Each Accelerate Fund may, and is expected to designate to the extent permitted by the Tax Act, the portion of the net income of the Accelerate Fund distributed to Unitholders that may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received or considered to be received by the Accelerate Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Accelerate Fund. Any amount so designated is deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation applies to amounts designated as taxable dividends. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, an Accelerate Fund may make designations in respect of its foreign source income, if any, so that Unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes, paid (and not deducted) by the Accelerate Fund. A loss realized by the Accelerate Fund may not be allocated to, and may not be treated as a loss of the Unitholders of the Accelerate Fund.

Individuals and certain trusts may be subject to an alternative minimum tax in respect of taxable dividends (including eligible dividends) received or considered to be received from taxable Canadian corporations and realized capital gains.

### ***Tax Implications of the Accelerate Funds Distribution Policy***

A portion of the NAV of a Unit of an Accelerate Fund may reflect income and/or capital gains accrued or realized by the Accelerate Fund before the Unit was acquired by a Unitholder. In particular, this may be the case when Units are acquired late in the year, or on or before the date on which a distribution will be paid. The income and taxable portion of capital gains paid or payable to a Unitholder must be included in the calculation of the Unitholder's income in the manner described above, even if it relates to a period before the Unitholder owned the Units and may have been reflected in the price paid by the Unitholder for the Units.

### ***Disposition of Units***

Generally, a Unitholder realizes a capital gain (or loss) on the sale, redemption, exchange or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition. In general, the adjusted cost base of all Units of an Accelerate Fund held by the Unitholder at a particular time is the total amount paid for all Units of the Accelerate Fund currently and previously held by the Unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any Units of the Accelerate Fund previously disposed of by the Unitholder. The adjusted cost base to a Unitholder of one Unit is the average adjusted cost base of all Units owned by the Unitholder as capital property at that time. A consolidation of Units after the reinvestment of a distribution in additional Units will not be regarded as a disposition of Units.

When a Unitholder redeems Units of an Accelerate Fund, the Accelerate Fund may distribute income and capital gains to the Unitholder as partial payment of the redemption price. Any income or capital gains so distributed must be included in the calculation of the Unitholder's income in the manner described above. As described under "Risk Factors – Taxation Risk", the Notice of Ways and Means Motion proposed amendments to the Tax Act that would (a) effective for taxation years of an Accelerate Fund beginning on or after March 19, 2019, deny the Accelerate Fund a deduction for any income of the Accelerate Fund designated to a Unitholder on a redemption of a Unit, where the Unitholder's proceeds of disposition are reduced by the designation, and (b) effective for taxation years of an Accelerate Fund beginning on or after March 20, 2020, deny the Accelerate Fund a deduction for the portion of a capital gain of the Accelerate Fund designated to a Unitholder on a redemption of Units that is greater than the Unitholder's accrued gain. As a result, as of January 1, 2020, no amount of income is expected to be distributed to Unitholders as partial payment of their redemption price.

A Unitholder may acquire securities *in specie* from an Accelerate Fund on the redemption of Units or on the termination of the Accelerate Fund. The cost of any securities acquired by the Unitholder from the Accelerate Funds on the redemption of the Units will generally be the fair market value of the securities at that time. Unitholders who redeem Units are advised to confirm with the Manager the details of any distributions paid at the time of redemption and the fair market value of any securities received from an Accelerate Fund, and are also advised to consult with their own tax advisers.

### ***Taxation of Capital Gains and Capital Losses***

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains realized or considered to be realized by an Accelerate Fund and designated by the Accelerate Fund in respect of the Unitholder is included in the Unitholder's income as a taxable capital gain. One-half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

### ***International Information Reporting***

Generally, Unitholders will be required to provide their dealer with information related to their citizenship and tax residence and, if applicable, a foreign tax identification number. If a Unitholder does not provide the information or is identified as a U.S. citizen or a foreign (including U.S.) tax resident, additional details about the Unitholder and their investment in the Accelerate Funds will be reported to the CRA, unless the investment is held within a Registered Plan. The CRA will provide that information to the relevant foreign tax authority if that foreign country has signed an exchange of financial information agreement with Canada.

## **Taxation of Registered Plans**

A Registered Plan that holds Units of an Accelerate Fund and the planholder, annuitant or subscriber of that Registered Plan, as the case may be, will generally not be subject to tax on the value of the Units, income or capital gains distributed by the Accelerate Fund to the Registered Plan or a gain realized by the Registered Plan on the disposition of the Units (whether payment is received in cash or by reinvestment in additional Units), provided the Units are a qualified investment under the Tax Act for the Registered Plan and, in the case of Registered Plans (other than deferred profit-sharing plans), not a prohibited investment for the Registered Plan.

A Registered Plan may acquire securities *in specie* from the Accelerate Funds on the redemption of Units or on the termination of the Accelerate Funds. The Registered Plan and the planholder, annuitant or subscriber of the Registered Plan, as the case may be, will generally not be subject to tax on the value of those securities, income received by the Registered Plan from those securities or gains realized by the Registered Plan on the disposition of those securities, provided each of those securities is a qualified investment under the Tax Act for the Registered Plan at all times that the security is held by the Registered Plan and, in the case of Registered Plans (other than deferred profit-sharing plans), not a prohibited investment for the Registered Plan. Investors should consult their own tax advisers for advice on whether or not such securities would be qualified investments and not prohibited investments for their Registered Plans.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Borden Ladner Gervais LLP, the Units of an Accelerate Fund will be a “qualified investment” under the Tax Act for a Registered Plan at any time that the Accelerate Fund qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act or that the Units of the Accelerate Fund are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the TSX. The TSX has conditionally approved the listing of the Units of the Accelerate Funds.

A Unit of an Accelerate Fund that is a qualified investment under the Tax Act for a Registered Plan may nevertheless be a prohibited investment under the Tax Act for a Registered Plan (other than a deferred profit-sharing plan). Generally, the Units of an Accelerate Fund will not be a prohibited investment under the Tax Act for a Registered Plan unless the planholder, annuitant or subscriber, as the case may be (together with non-arm’s length partnerships and persons, including the Registered Plan) directly or indirectly holds Units having a fair market value of 10% or more of the Accelerate Fund. However, under a safe harbour for newly established mutual funds, Units of an Accelerate Fund will not be a prohibited investment under the Tax Act for a Registered Plan at any time during the first 24 months of the Accelerate Fund’s existence if the Accelerate Fund is a “mutual fund trust” under the Tax Act and either remains in substantial compliance with the requirements of NI 81-102 or follows a reasonable policy of investment diversification throughout that period. Investors should consult their own tax advisers for advice on whether Units would be a prohibited investment for their Registered Plans.

## **ORGANIZATION AND MANAGEMENT DETAILS OF THE ACCELERATE FUNDS**

### **Manager**

Accelerate Financial Technologies Inc., a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio manager of the Accelerate Funds. The head office of the Accelerate Funds and the Manager is located at Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2. The registered office of the Accelerate Funds and the Manager is located at 2400, 525 – 8 Avenue SW, Calgary, Alberta, T2P 1G1.

### ***Duties and Services Provided by the Manager***

Pursuant to the Management Agreement, the Manager has been appointed as the investment fund manager of the Accelerate Funds and has the exclusive authority to manage the business and affairs of the Accelerate Funds, to make all decisions regarding the business of the Accelerate Funds and to bind the Accelerate Funds. The Manager may delegate certain of its powers to its affiliates and to third parties where, in the discretion of the Manager, it would be in the best interests of the Accelerate Funds to do so.

The Manager is also responsible for providing management, administrative and portfolio advisory and investment management services to the Accelerate Funds. The Manager's duties include, without limitation:

- (i) authorizing the payment of, and paying, the operating expenses incurred on behalf of each Accelerate Fund that are the responsibility of the Accelerate Funds;
- (ii) providing office space, facilities and personnel;
- (iii) preparing financial statements, financial and accounting information and tax returns as required by the Accelerate Funds;
- (iv) ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time;
- (v) ensuring that the Accelerate Funds comply with regulatory requirements and applicable stock exchange listing requirements;
- (vi) preparing the Accelerate Funds' reports, including interim and annual MRFPs, and delivering such reports to Unitholders and the securities regulatory authorities;
- (vii) determining the amount of distributions to be made by the Accelerate Funds;
- (viii) communicating with Unitholders and calling meetings of Unitholders as required;
- (ix) ensuring that the NAV per Unit is calculated and published;
- (x) administering the purchase, exchange and redemption of Units;
- (xi) negotiating contractual agreements with third party providers of services, including the Designated Brokers, the Dealers, the Custodian, the Registrar and Transfer Agent, the Fund Administrator, the Borrowing Agent, the Lender, the auditor, legal counsel and printers; and
- (xii) providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Accelerate Funds.

### ***Details of the Management Agreement***

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of Unitholders and the Accelerate Funds and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect in any of the securities held by the Accelerate Funds if it has satisfied the duties and the standard of care, diligence and skill set forth above. The Manager will incur liability, however, in cases of wilful misconduct, bad faith, negligence, breach of the Manager's standard of care or any material breach or default by it of its obligations under the Management Agreement.

The Management Agreement may be terminated by any of the Accelerate Funds or by the Manager upon 60 days' prior written notice. The Manager is deemed to have resigned if it becomes bankrupt or insolvent, if its assets are seized or confiscated by a public or government authority, in the event that it ceases to be resident in Canada for purposes of the Tax Act or if it no longer holds the necessary registrations to enable it to carry out its obligations under the Management Agreement. If the Manager resigns, it may appoint its successor but, unless its successor is an affiliate of the Manager, its successor must be approved by the Unitholders. If the Manager is in material default of its obligations under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to the Manager, the Trustee may remove the Manager and appoint a successor manager, subject to any required Unitholder approval.

The Manager is entitled to fees for its services as manager under the Management Agreement as described under "Fees and Expenses – Management Fee". The Manager is indemnified by each Accelerate Fund for any legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the Manager in connection with the services provided by the Manager to the Accelerate Fund, if: (i) those fees, judgments and amounts were not incurred as a result of a breach by the Manager of the standard of care set out in the Management Agreement; and (ii) the Accelerate Fund has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgments and amounts paid in settlement was in the best interests of the Accelerate Fund. However, the Manager will not be entitled to be indemnified under the Management Agreement if the liability results from the Manager's wilful misconduct, bad faith, negligence or breach of its obligations under the Management Agreement or if there has been a failure of the Manager or any person retained by the Manager to meet the standard of care set out in the Management Agreement.

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Accelerate Funds) or from engaging in other activities. See "Conflicts of Interest" below.

#### ***Executive Officers and Directors of the Manager***

The name and municipality of residence of each of the directors and executive officers of the Manager, and their principal occupations, are as follows:

| <b>Name and Municipality of Residence</b>     | <b>Position with the Manager</b>                                    | <b>Principal Occupation Within Preceding Five Years</b>  |
|---|---|--|
| <b>Jai Hawker</b><br>Calgary, Alberta         | Executive Vice President and Director                               | Since June 2018 to present, Executive Vice President of Accelerate Financial Technologies Inc.; from January 2015 to July 2017, VP Business Development of Ross Smith Asset Management; from January 2004 to January 2015, Director supervising the Private Client Division at FirstEnergy Capital Corp.   |
| <b>Michael Lee Hing</b><br>Calgary, Alberta   | Chief Compliance Officer and Chief Operating Officer                | Since December 2018 to Present, Chief Operating Officer and Chief Compliance Officer of Accelerate Financial Technologies Inc.; from June 2016 to December 2018, Chief Compliance Officer of Carecana Management Corp.; from September 2013 to December 2015, SVP Compliance and Accounting of Ross Smith Asset Management   |
| <b>Michael Kesslering</b><br>Calgary, Alberta | Vice President of Investment Management and Chief Financial Officer | Since June 2018 to present, Vice President of Investment Management and Chief Financial Officer of Accelerate Financial Technologies Inc.; from November 2016 to June 2018, Senior Analyst of Ross Smith Asset Management; from October 2015 to April 2016, Investment Banking Analyst at FirstEnergy Capital Corp.; from April 2015 to October 2015, Analyst at Concentra Financial |

| <b>Name and Municipality of Residence</b>   | <b>Position with the Manager</b>  | <b>Principal Occupation Within Preceding Five Years</b>   |
|---|---|---|
| <b>Julian Klymochko</b><br>Calgary, Alberta | Director, President, Chief Executive Officer and Chief Investment Officer | Since March 2018 to present, Director, President, Chief Executive Officer and Chief Investment Officer of Accelerate Financial Technologies Inc.; from September 2015 to February 2018, Chief Investment Officer of Ross Smith Asset Management; from August 2009 to September 2015, Portfolio Manager at Ross Smith Asset Management |
| <b>P. Lonny Tetley</b><br>Calgary, Alberta  | Director and Corporate Secretary  | Since August 2018 to present, Director and Corporate Secretary of the Manager; Partner and lawyer of Burnet, Duckworth and Palmer LLP   |
| <b>Thomas Simons</b><br>Calgary, Alberta    | Director  | Since November 2018 to present, Director of the Manager; President and Chief Executive Officer of CES Energy Solutions Corp.  |

### **Portfolio Manager**

Accelerate Financial Technologies Inc., a registered portfolio manager, is the portfolio manager of the Accelerate Funds. Under the Management Agreement, the Portfolio Manager is responsible for providing portfolio advisory and investment management services to the Accelerate Funds. The individuals principally responsible for providing advice to the Accelerate Funds on behalf of the Portfolio Manager are as follows:

| <b>Name and Title</b>   | <b>With the Portfolio Manager Since</b> | <b>Principal Occupation Within Preceding Five Years</b>   |
|---|---|---|
| <b>Julian Klymochko</b><br>President, Chief Executive Officer, Chief Investment Officer, Chief Compliance Officer and Advising Representative | March 2018                              | Since March 2018 to present, Director, President, Chief Executive Officer and Chief Investment Officer of Accelerate Financial Technologies Inc.; from September 2015 to February 2018, Chief Investment Officer of Ross Smith Asset Management; from August 2009 to September 2015, Portfolio Manager at Ross Smith Asset Management |

### **Brokerage Arrangements**

Decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of market, dealer or broker, and the negotiation, where applicable, of commissions are made by the Portfolio Manager. Determination of the appropriate broker through which trading activities on behalf of an Accelerate Fund are executed are based on the consideration of all relevant factors, with pricing (commissions, fees and spreads) and reliability of execution being the principal considerations. Other factors include the exchange or market on which the security to be traded is listed or quoted, the size and type of trade, reputation, experience, customer service effort, financial stability, apparent controls and other available products and services.

Subject to the foregoing, a portion of Accelerate Fund trading will be executed through an investment dealer that offers customary prime broker, market making and/or custodian services. The Portfolio Manager will review the performance and suitability of brokers on an ongoing basis with a view to all relevant factors.

The Portfolio Manager allocates investment opportunities between the Accelerate Funds and other clients of the Portfolio Manager at the discretion of its Chief Investment Officer taking into consideration any factors that the Chief Investment Officer considers relevant.

From time to time, the Portfolio Manager may, if considered to be in the best interests of the applicable Accelerate Fund and therefore, indirectly, its Unitholders, direct brokerage transactions to be executed on behalf of an Accelerate

Fund to investment dealers that provide it with research or other products or services. The research may be proprietary (i.e., prepared by the providing dealer) or third party (i.e., prepared by a third party but provided by the dealer). Commissions payable in respect of trade transactions may constitute “soft dollars” with which the Portfolio Manager acquires such research or other products or services. The Portfolio Manager will engage in such “soft dollar” arrangements only if it expects that the research or other products or services that it receives as a result will assist it in carrying out its investment decision-making responsibilities.

Additional information, including the services supplied by each broker, can be obtained at no cost by contacting the Manager at [info@AccelerateShares.com](mailto:info@AccelerateShares.com).

### **Conflicts of Interest**

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Accelerate Funds) or from engaging in other activities.

Investments in securities purchased by the Portfolio Manager on behalf of any Accelerate Fund will not be aggregated with orders to purchase securities on behalf of other Accelerate Funds or other investment funds or other accounts managed by the Manager.

Directors and officers of the Manager must obtain the prior approval of the Manager in order to engage in any outside business activities. One of the activities that requires approval is acting as a director or officer of another company (an “**Issuer**”). The Accelerate Funds may invest in an Issuer if this transaction is permitted by law and the Manager has approved this transaction. This approval will be given only if the Manager is satisfied that there has been proper resolution of any potential conflicts of interest.

The Management Agreement acknowledges that the Manager may provide services to the Accelerate Funds in other capacities, provided that the terms of any such arrangement are no less favourable to the Accelerate Funds than those that would be obtained from parties that are at arm’s length for comparable services.

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Accelerate Funds of their Units under this prospectus. Units of the Accelerate Funds do not represent an interest or an obligation of any Designated Broker, any Dealer or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Accelerate Funds to such Designated Brokers or Dealers.

One or more registered dealers act or may act as a Designated Broker, a Dealer and/or a market maker. These relationships may create actual or perceived conflicts of interest that Unitholders should consider in relation to an investment in the Accelerate Funds. In particular, by virtue of these relationships, these registered dealers may profit from the sale and trading of Units. The Designated Broker, as market maker of an Accelerate Fund in the secondary market, may therefore have economic interests that differ from, and may be adverse to, those of Unitholders. Any such registered dealer and its affiliates may, at present or in the future, engage in business with an Accelerate Fund, with the issuers of securities making up the investment portfolio of an Accelerate Fund or with the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

### **Independent Review Committee**

As required by NI 81-107, the Manager has established an IRC to review all conflicts of interest matters identified and referred to the IRC by the Manager relating to the Accelerate Funds. The IRC reviews and gives its approval or recommendations as to the conflict of interests matters referred to it. A conflict of interest matter is a situation where

a reasonable person would consider the Manager or an entity related to the Manager to have an interest that conflicts with the Manager's ability to act in good faith and in the best interest of the Accelerate Funds. The IRC is also required to approve certain mergers involving the Accelerate Funds and any change of the auditor of the Accelerate Funds.

The IRC must have all independent members. The Manager considers that an individual is independent if the individual is not a director, officer or employee of any of the Manager or an affiliate of the Manager. In addition, the individual must be independent of management and free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the individual's ability to act with the view to the best interest of the Accelerate Funds.

The members of the IRC are:

Geoff Salmon (Chair)  
Neil Gross  
Cathy Welling

The IRC has a written charter that sets out its powers, duties and responsibilities. Additionally, pursuant to NI 81-107, the IRC assesses, at least annually, the adequacy and effectiveness of the following:

- (i) the Manager's policies and procedures regarding conflict of interest matters;
- (ii) any standing instructions that the IRC gave to the Manager for conflict of interest matters related to the Accelerate Funds;
- (iii) the compliance of the Manager and the Accelerate Funds with any conditions imposed by the IRC in a recommendation or approval it has provided to the Manager; and
- (iv) the independence and compensation of its members, the IRC's effectiveness as a committee and the contribution of each member to the IRC.

The IRC prepares a report for Unitholders, at least annually, of its activities. Such report is made available on the Manager's website at [www.AccelerateShares.com](http://www.AccelerateShares.com) or, at the request of a Unitholder and at no cost, by contacting the Manager at Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2, or by sending an e-mail to [info@AccelerateShares.com](mailto:info@AccelerateShares.com).

Each member of the IRC is paid an annual retainer of \$6,000 (\$8,000 for the Chair) by the Manager to serve on the IRC. This annual retainer includes attendance at three meetings per year. Each IRC member will also receive a payment of \$2,000 per meeting for any additional meetings (over and above the three standard meetings) required in the course of the year. The retainer and meeting fees paid to each member are allocated to each Accelerate Fund.

## **Trustee**

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Accelerate Funds.

The trustee may resign upon 60 days' notice to Unitholders and the Manager. If the trustee resigns or if it becomes incapable of acting as trustee, the trustee may appoint a successor trustee and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 60 days, the Accelerate Funds will be terminated.

The Declaration of Trust provides that the trustee shall act honestly, in good faith and in the best interests of the Accelerate Funds and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the trustee and indemnifying the trustee in respect of certain liabilities incurred by it in carrying out the trustee's duties.

At any time during which the Manager is the trustee, the Manager will receive no fee in respect of the provision of services as trustee.

### **Custodian**

RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is custodian of the assets of the Accelerate Funds pursuant to the Custodian Agreement. The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Accelerate Funds have securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon 90 days' written notice. The Custodian has appointed the Borrowing Agent as a sub-custodian of the Accelerate Funds.

The Custodian is entitled to receive fees from the Manager as described under "Fees and Expenses" and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Accelerate Funds.

### **Borrowing Agent and Lender**

The Manager, on behalf of each Accelerate Fund, has entered into a Securities Settlement Agreement with RBC Dominion Securities Inc., in its capacity as both Borrowing Agent and Lender. The Securities Settlement Agreement appoints and authorizes RBC Dominion Securities Inc. to act as the borrowing agent for the Accelerate Funds in connection with short sales of securities. In addition, the Securities Settlement Agreement acts as a borrowing agreement in connection with ARB's cash borrowing. The Securities Settlement Agreement may be terminated at any time at the option of either party upon five business days' prior notice to the other party.

### **Auditor**

The auditor of the Accelerate Funds is PricewaterhouseCoopers LLP at 111 5<sup>th</sup> Avenue SW, Suncor Energy Centre, Suite 3100, East Tower, Calgary, Alberta, T2P 5L3.

### **Registrar and Transfer Agent**

TMX Trust Company is the registrar and transfer agent for the Units of the Accelerate Funds. The register of the Accelerate Funds is kept in Calgary, Alberta.

### **Promoter**

The Manager has taken the initiative in founding and organizing the Accelerate Funds and is, accordingly, the promoter of the Accelerate Funds within the meaning of securities legislation of certain provinces and territories of Canada. The Manager, in its capacity as manager of the Accelerate Funds, receives compensation from the Accelerate Funds. See "Fees and Expenses".

### **Fund Administrator**

RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is the fund administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Accelerate Funds, including NAV calculations, accounting for net income and net realized capital gains of the Accelerate Funds and maintaining books and records with respect to the Accelerate Funds.

## **CALCULATION OF NET ASSET VALUE**

The NAV of an Accelerate Fund and the NAV per Unit of an Accelerate Fund are calculated by the Fund Administrator as of the Valuation Time on each Valuation Date. As each Accelerate Fund has only one series of Units, the NAV of an Accelerate Fund on a particular date is equal to the aggregate of the market value of the Accelerate Fund's assets less its liabilities. The NAV per Unit is calculated by dividing the NAV by the total number of Units owned by Unitholders.

The NAV per Unit will generally increase or decrease on each business day as a result of changes in the value of the portfolio securities owned by an Accelerate Fund. When distributions (other than Management Fee Distributions) are declared on the Units, the NAV per Unit will decrease by the per Unit amount of the distributions on the distribution payment date.

### **Valuation Policies and Procedures of the Accelerate Funds**

The value of the portfolio securities and other assets of each Accelerate Fund is determined by applying the following rules:

- (i) cash on hand or on deposit, bills and notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received are generally valued at their full amount, unless the Manager has determined that any of these assets are not worth the full amount, in which event the value shall be deemed to be the value that the Manager reasonably deems to be fair value;
- (ii) precious metals (certificates or bullion) and other commodities are valued at their fair market value, generally based on prevailing market prices as reported on exchanges or other markets;
- (iii) portfolio securities listed on a public securities exchange are valued at their close price or last sale price reported before the Valuation Time on a Trading Day. If there is no close price and if no sale is reported to have taken place before the Valuation Time on that Trading Day, they are valued at the average of the last bid and ask prices reported before that time on that Trading Day;
- (iv) unlisted portfolio securities traded on an over-the-counter market are valued at the last sale price reported before the Valuation Time on a Trading Day. If no sale is reported to have taken place before the Valuation Time on that Trading Day, they are valued at the average of the last bid and ask prices reported before that time on that Trading Day;
- (v) notwithstanding the foregoing, if portfolio securities are interlisted or traded on more than one exchange or market, the Manager uses the close price or last sale price or the average of the last bid and ask prices, as the case may be, reported before the Valuation Time on the exchange or market that it determines to be the principal exchange or market for those securities;
- (vi) fixed-income securities listed on a public securities exchange will be valued at their close price or last sale price before the Valuation Time on a Trading Day, or if there is no close price and if no sale is reported to have taken place before the Valuation Time on that Trading Day, at the average of the last bid and ask prices before that time on that Trading Day;
- (vii) non-exchange-traded fixed-income securities of the Accelerate Fund are valued at their fair value based on prices supplied by established pricing vendors, market participants or pricing models, as determined before the Valuation Time on a Trading Day;
- (viii) where the Accelerate Fund owns securities issued by another investment fund, the securities of the other investment fund are valued at either the price calculated by the manager of the other investment fund for the applicable series of securities of the other investment fund for that Trading Day in accordance with the constating documents of the other investment fund if such securities are acquired by the Accelerate Fund from the other investment fund or at their close price or last sale price reported before the Valuation Time on a Trading Day if such securities are acquired by the Accelerate Fund on a public securities exchange;
- (ix) long positions in options, debt-like securities and warrants are valued at the current market value of their positions;
- (x) where an option is written by the Accelerate Fund, the premium received by the Accelerate Fund for the option is reflected as a deferred credit. The deferred credit is valued at an amount equal to the current market value of the option which would have the effect of closing the position. Any difference resulting from

revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in calculating the NAV of the Accelerate Fund. The Accelerate Fund's portfolio securities which are the subject of a written option shall continue to be valued at the current market value as determined by the Manager;

- (xi) foreign currency hedging contracts are valued at their current market value on a Trading Day, with any difference resulting from revaluation being treated as an unrealized gain or loss on investment;
- (xii) the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that Trading Day, the position in the forward contract or the swap were to be closed out;
- (xiii) the value of a standardized future is: (a) if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on a Trading Day, the position in the standardized future was closed out; or (b) if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future;
- (xiv) margin paid or deposited on standardized futures or forward contracts is reflected as an account receivable, and margin consisting of assets other than cash is noted as held as margin;
- (xv) portfolio securities that are quoted in foreign currencies are converted to Canadian dollars using an exchange rate as of the close of the North American markets on that Trading Day;
- (xvi) portfolio securities, the resale of which are restricted or limited by means of a representation, undertaking or agreement by the Accelerate Fund or its predecessor in title or by law, are valued at the lesser of: (a) their value based upon reported quotations in common use on a Trading Day; and (b) that percentage of the market value of portfolio securities of the same class or series of a class, the resale of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage of the Accelerate Fund's acquisition cost of the market value of the securities at the time of acquisition, but taking into account, if appropriate, the amount of time remaining until the restricted securities will cease to be restricted securities; and
- (xvii) notwithstanding the forgoing, portfolio securities and other assets for which market quotations are, in the opinion of the Manager, inaccurate, unreliable, not reflective of all available material information or not readily available, are valued at their fair value as determined by the Manager.

If a portfolio security cannot be valued under the forgoing rules or under any other valuation rules adopted under applicable securities laws, or if any rule the Manager has adopted is not set out under applicable securities laws but at any time is considered by the Manager to be inappropriate under the circumstances, then the Manager shall use a valuation that the Manager considers to be fair, reasonable and in the interest of Unitholders. In those circumstances, the Manager would typically review current press releases concerning the portfolio security, discuss an appropriate valuation with other portfolio managers and analysts and consult other industry sources to set an appropriate fair valuation. If at any time the foregoing rules conflict with the valuation rules required under applicable securities laws, the Manager will follow the valuation rules required under applicable securities laws.

The constating documents of the Accelerate Funds contain details of the liabilities to be included in calculating the NAV of each Accelerate Fund. The liabilities of each Accelerate Fund include, without limitation, all bills, notes and accounts payable and fund costs payable or accrued, all contractual obligations for the payment of money or property, all allowances authorized or approved by the Manager for taxes (if any) or contingencies and all other liabilities of the Accelerate Funds.

Each portfolio transaction by an Accelerate Fund will be reflected in the next calculation of NAV per Unit made after the date on which the transaction becomes binding. A Unit of an Accelerate Fund being issued shall be deemed to become outstanding immediately following the calculation of the applicable NAV per Unit that is the issue price per Unit. After that Unit is deemed to become outstanding, the amount payable in connection with the issuance shall then

be deemed to be an asset of the Accelerate Fund. A Unit of an Accelerate Fund being exchanged or redeemed shall be deemed to remain outstanding until immediately following the calculation of the applicable NAV per Unit that is the exchange or redemption price; thereafter, until payment has been made for such exchanged or redeemed Unit, the exchange or redemption price, as the case may be, shall be deemed to be a liability of the Accelerate Fund. Accordingly, the issue of Units and the exchange or redemption of Units will be reflected in the next calculation of NAV per Unit made after the date a subscription order or an exchange or redemption request, as the case may be, is accepted and becomes binding.

### **Reporting of Net Asset Value**

Following the Valuation Time on each Valuation Date, the NAV of each Accelerate Fund and the NAV per Unit will be available to the public on the Manager's website at [www.AccelerateShares.com](http://www.AccelerateShares.com).

## **ATTRIBUTES OF THE UNITS**

### **Description of the Securities Distributed**

Each Accelerate Fund is authorized to issue an unlimited number of Units, each of which represents an equal, undivided interest in the Units' proportionate share of the assets of the Accelerate Fund.

On December 16, 2004, the *Trust Beneficiaries' Liability Act, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. The Accelerate Funds are reporting issuers under the *Securities Act* (Ontario) and the Accelerate Funds are governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

### **Certain Provisions of the Units**

Each Unit entitles the owner to one vote at all meetings of Unitholders and is entitled to participate equally with all other Units with respect to all distributions made by the Accelerate Funds to Unitholders, other than Management Fee Distributions and amounts paid on the exchange or redemption of Units. Units are issued only as fully paid and are non-assessable.

### ***Exchange of Units for Baskets of Securities or Cash***

On any Trading Day, Unitholders may exchange a minimum of a Prescribed Number of Units (and any additional multiple thereof) for, in the discretion of the Manager, Baskets of Securities and cash or only cash. See "Redemption of Units – Exchange of Prescribed Number of Units".

### ***Redemption of Units for Cash***

On any Trading Day, Unitholders may redeem Units in any number for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price of the applicable NAV per Unit. See "Redemption of Units – Redemption of Units in any Number for Cash".

### **Modification of Terms**

All rights attached to the Units may only be modified, amended or varied in accordance with the terms of the Declaration of Trust. See "Unitholder Matters – Amendments to the Declaration of Trust".

The Manager may amend the Declaration of Trust from time to time to redesignate the name of any Accelerate Fund or to create a new class or series of units of any Accelerate Fund without notice to existing Unitholders, unless such amendment in some way affects the existing Unitholders' rights or the value of their investment.

## UNITHOLDER MATTERS

### Meeting of Unitholders

Except as otherwise required by law, meetings of Unitholders of the Accelerate Funds will be held if called by the Manager upon written notice of not less than 21 days nor more than 50 days before the meeting.

### Matters Requiring Unitholder Approval

Under the Declaration of Trust, Unitholders are entitled to vote on any matter that pursuant to Canadian securities legislation must be submitted to Unitholders for approval. NI 81-102 requires that Unitholders of an Accelerate Fund to approve the following:

- (i) any change to the basis of the calculation of a fee or expense that is charged to the Accelerate Fund or directly to its Unitholders if such change could result in an increase in charges to the Accelerate Fund or its Unitholders, except where:
  - (a) the Accelerate Fund is at arm's length with the person or company charging the fee or expense;
  - (b) the Unitholders have received at least 60 days' written notice before the effective date of the change; and
  - (c) the right to notice described in (b) is disclosed in the prospectus of the Accelerate Fund;
- (ii) the introduction of a fee or expense, to be charged to the Accelerate Fund or directly to its Unitholders by the Accelerate Fund or the Manager in connection with the holding of Units of the Accelerate Fund that could result in an increase in charges to the Accelerate Fund or its Unitholders (which would not include expenses associated with complying with governmental or regulatory requirements introduced after the date the Accelerate Fund was created), except where:
  - (a) the Accelerate Fund is at arm's length with the person or company charging the fee or expense;
  - (b) the Unitholders have received at least 60 days' written notice before the effective date of the change; and
  - (c) the right to notice described in (b) is disclosed in the prospectus of the Accelerate Fund;
- (iii) any change to the Manager, unless the new manager of the Accelerate Fund is an affiliate of the Manager;
- (iv) any change to the fundamental investment objective of the Accelerate Fund;
- (v) the decrease in the frequency of the calculation of the Accelerate Fund's NAV per Unit;
- (vi) the undertaking by the Accelerate Fund of a reorganization with, or transfer of its assets to, another mutual fund, if the Accelerate Fund ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Accelerate Fund becoming securityholders in the other mutual fund, unless:
  - (a) the IRC of the Accelerate Fund has approved the change;
  - (b) the Accelerate Fund is being reorganized with, or its assets are being transferred to, another mutual fund that is managed by the Manager, or an affiliate of the Manager;
  - (c) the Unitholders have received at least 60 days' written notice before the effective date of the change;
  - (d) the right to notice described in (c) is disclosed in the prospectus of the Accelerate Fund; and

- (e) the transaction complies with certain other requirements of applicable securities legislation; and
- (vii) the undertaking by the Accelerate Fund of a reorganization with, or acquisition of assets from, another mutual fund, if the Accelerate Fund continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders of the Accelerate Fund and the transaction would be a material change to the Accelerate Fund.

In addition to the 60 days' notice right described above for certain changes, the auditor of an Accelerate Fund may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' written notice before the effective date of the change.

Approval of Unitholders of an Accelerate Fund of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the Accelerate Fund duly called and held for the purpose of considering the same approve the related resolution.

#### **Amendments to the Declaration of Trust**

The trustee may amend the Declaration of Trust from time to time, but it may not, without the approval of a majority of the votes of Unitholders of the applicable Accelerate Fund voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders.

Unitholders are entitled to one vote per Unit held on the record date established for voting at any meeting of Unitholders.

#### **Accounting and Reporting to Unitholders**

The fiscal year end of the Accelerate Funds is December 31. The Accelerate Funds will deliver or make available to Unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See "Documents Incorporated by Reference".

Each Unitholder will also be mailed annually, by his, her or its broker, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by each Accelerate Fund owned by such Unitholder in respect of the preceding taxation year of such Accelerate Fund.

The Manager will ensure that the Accelerate Funds comply with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Accelerate Funds. A Unitholder or his, her or its duly authorized representative has the right to examine the books and records of the applicable Accelerate Fund during normal business hours at the offices of the Fund Administrator. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Accelerate Funds.

#### **Permitted Mergers**

An Accelerate Fund may, without Unitholder approval, enter into a merger or other similar transaction that has the effect of combining that Accelerate Fund with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Accelerate Fund, subject to:

- (i) approval of the merger by the IRC;
- (ii) compliance with certain merger pre-approval conditions set out in section 5.6 of NI 81-102; and
- (iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with any such merger, the merging funds will be valued at their respective net asset values and Unitholders of the Accelerate Fund will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

### **TERMINATION OF THE ACCELERATE FUNDS**

An Accelerate Fund may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination and the Manager will issue a press release in advance thereof. The Manager may also terminate an Accelerate Fund if the trustee resigns or becomes incapable of acting and is not replaced. Upon such termination, the securities held by the Accelerate Fund, cash and other assets remaining after paying or providing for all liabilities and obligations of the Accelerate Fund and any termination-related expenses payable by the Accelerate Fund shall be distributed *pro rata* among the Unitholders of the Accelerate Fund.

The rights of Unitholders to exchange and redeem Units described under "Redemption of Units" will cease as and from the date of termination of that Accelerate Fund.

### **RELATIONSHIP BETWEEN THE ACCELERATE FUNDS AND DEALERS**

The Manager, on behalf of each Accelerate Fund, may enter into various continuous distribution dealer agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Dealers may subscribe for Units of one or more Accelerate Funds as described under "Purchases of Units – Issuance of Units".

No Designated Broker or Dealer has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Dealers do not perform many of the usual underwriting activities in connection with the distribution by the Accelerate Funds of their Units under this prospectus. The Accelerate Funds have obtained exemptive relief from the Canadian securities regulatory authorities to relieve them from the requirement that this prospectus contain a certificate of the underwriter or underwriters.

### **PRINCIPAL HOLDERS OF SECURITIES OF THE ACCELERATE FUNDS**

As at February 24, 2020, each Accelerate Fund was created with an initial contribution of \$20.00 from the Manager. As at the date of this prospectus, the Manager holds all of the issued and outstanding Units of each Accelerate Fund.

CDS & Co, the nominee of CDS, is the registered owner of the Units of each Accelerate Fund, which it holds for various brokers and other persons on behalf of their clients and others. From time to time, more than 10% of the Units of each Accelerate Fund may be beneficially owned, directly or indirectly, by the applicable Designated Broker or one or more Dealers.

### **PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD**

The Manager is responsible for appropriately exercising all rights and privileges in respect of securities held by the Accelerate Funds. The Manager's proxy voting policy (the "**Proxy Voting Policy**") sets out the guidelines and procedures that it uses to determine whether and how to vote on any matter for which an Accelerate Fund receives proxy materials. Issuers' proxies most frequently contain proposals to elect corporate directors, appoint external auditors and set their compensation, adopt or amend management compensation plans and amend the capitalization of the company. The Proxy Voting Policy is intended to provide for the exercise of such voting rights in accordance with the best interests of the applicable Accelerate Fund.

#### **Summary of Proxy Voting Policies**

The Proxy Voting Policy sets out various considerations that the Manager will address when voting, or refraining from voting, proxies, including that:

- (i) The Manager will generally vote with management on routine matters such as electing corporate directors, appointing external auditors and adopting or amending management compensation plans, unless it is

determined that supporting management's position would not be in the best interests of the Unitholders of the applicable Accelerate Fund;

- (ii) The Manager will address, on a case-by-case basis, non-routine matters, including those business issues specific to the issuer or those raised by securityholders of the issuer with a focus on the potential impact of the vote on the NAV of the applicable Accelerate Fund; and
- (iii) The Manager has the discretion to determine whether or not to vote on routine or non-routine matters. In cases where the Manager determines that it is not in the best interests of the Unitholders of the applicable Accelerate Fund to vote, or in cases where no value is added by voting, the Manager will not be required to vote.

### **Information Requests**

The Proxy Voting Policy is available upon request at any time, at no cost, by calling toll free at 1-855-892-0740 or by writing to Accelerate Financial Technologies Inc., Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2.

Each Accelerate Fund's proxy voting record for the most recent 12-month period ending June 30 will be available free of charge to any Unitholder of that Accelerate Fund upon request at any time after August 31 of the same year by calling 1-855-892-0740, and will also be available on our website at [www.AccelerateShares.com](http://www.AccelerateShares.com).

### **MATERIAL CONTRACTS**

The following contracts can reasonably be regarded as material to purchasers of Units:

- (i) Declaration of Trust;
- (ii) Management Agreement; and
- (iii) Custodian Agreement.

Copies of the agreements referred to above may be inspected during business hours at the principal office of the Manager.

### **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Accelerate Funds are not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Accelerate Funds.

### **EXPERTS**

Borden Ladner Gervais LLP, legal counsel to the Accelerate Funds and the Manager, has provided certain legal opinions regarding the principal Canadian federal income tax considerations that apply to an investment in the Units by a Canadian resident individual and by a Registered Plan. See "Income Tax Considerations" and "Eligibility for Investment".

PricewaterhouseCoopers LLP, Chartered Professional Accountants, the auditor of the Accelerate Funds, has consented to the use of its audit report dated February 24, 2020 to the Unitholder and the trustee of the Accelerate Funds on the statements of financial position of the Accelerate Funds as at February 24, 2020. PricewaterhouseCoopers LLP has confirmed that it is independent with respect to the Accelerate Funds within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Alberta.

## EXEMPTIONS AND APPROVALS

The Accelerate Funds have obtained exemptive relief from the Canadian securities regulatory authorities to:

- (i) permit the purchase on a marketplace by a Unitholder of more than 20% of the Units of any Accelerate Fund without regard to the takeover bid requirements of applicable Canadian securities legislation; and
- (ii) relieve the Accelerate Funds from the requirement to include in the prospectus a certificate of an underwriter.

In addition, each of ARB and YLD have obtained exemptive relief from the Canadian securities regulatory authorities to sell short an aggregate market value of securities up to 100% of their respective NAVs, provided that immediately after the transaction: (A) the aggregate market value of all securities sold short by the applicable Accelerate Fund does not exceed 100% of the Accelerate Fund's NAV; (B) the aggregate value of cash borrowing by the Fund does not exceed 50% of the Accelerate Fund's NAV; and (C) the aggregate market value of securities sold short by the Accelerate Fund combined with the aggregate value of cash borrowing by the Accelerate Fund does not exceed 100% of the Accelerate Fund's NAV.

## PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase ETF securities within 48 hours after the receipt of a confirmation of a purchase of such securities. In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages, if the prospectus and any amendment contains a misrepresentation, or if there is non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

The Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus. As such, purchasers of Units of an Accelerate Fund will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decision referred to above for the particulars of their rights or consult with a legal adviser.

## DOCUMENTS INCORPORATED BY REFERENCE

During the period in which an Accelerate Fund is in continuous distribution, additional information is available in:

- (i) the most recently filed ETF Facts documents of the Accelerate Fund;
- (ii) the most recently filed annual financial statements of the Accelerate Fund, together with the accompanying report of the auditor, if any;
- (iii) any interim financial reports filed after the most recently filed annual financial statements of the Accelerate Fund;
- (iv) the most recently filed annual MRFP of the Accelerate Fund, if any; and
- (v) any interim MRFP of the Accelerate Fund filed after the most recently filed annual MRFP.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. A Unitholder can get a copy of these documents upon request and at no cost by calling 1-855-892-0740 or by contacting a registered dealer.

These documents are available on the Manager's website at [www.AccelerateShares.com](http://www.AccelerateShares.com) or by contacting the Manager at 1-855-892-0740 or via e-mail at [info@AccelerateShares.com](mailto:info@AccelerateShares.com).

These documents and other information about the Accelerate Funds are available on the internet at [www.sedar.com](http://www.sedar.com).

In addition to the documents listed above, any document of the type described above that are filed on behalf of an Accelerate Fund after the date of this prospectus and before the termination of the distribution of the Accelerate Fund are deemed to be incorporated by reference into this prospectus.



## *Independent auditor's report*

To the Unitholder and Trustee of  
Accelerate Arbitrage Fund  
Accelerate Market Neutral Yield Fund  
Accelerate Multi-Strategy Alternative Allocation Fund

(individually, a Fund)

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### *Our opinion*

In our opinion, the accompanying financial statement of each Fund presents fairly, in all material respects, the financial position of each Fund as at February 24, 2020 in accordance with those requirements of International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS) relevant to preparing a statement of financial position.

#### **What we have audited**

The financial statement of each Fund comprises the statement of financial position as at February 24, 2020 and the notes to the financial statement, which include a summary of significant accounting policies.

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### *Basis for opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statement in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### *Emphasis of matter – basis of accounting*

We draw to users' attention the fact that the financial statement of each Fund does not comprise a full set of financial statements prepared in accordance with IFRS. Our opinion is not modified in respect of this matter.

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*PricewaterhouseCoopers LLP*  
111-5th Avenue SW, Suite 3100, Calgary, Alberta, Canada T2P 5L3  
T: +1 403 509 7500, F: +1 403 781 1825

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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### *Responsibilities of management and those charged with governance for the financial statement*

Management is responsible for the preparation and fair presentation of the financial statement of each Fund in accordance with those requirements of IFRS relevant to preparing a statement of financial position, and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

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### *Auditor's responsibilities for the audit of the financial statement*

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole for each Fund is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statement of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statement of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statement of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statement of each Fund, including the disclosures, and whether the financial statement represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants

Calgary, Alberta  
February 24, 2020

**ACCELERATE ARBITRAGE FUND**  
**STATEMENT OF FINANCIAL POSITION**

**As at February 24, 2020**

|   |    |                     |
|---|----|---------------------|
| <b>Assets</b>                                   |    |                     |
| <b>Current assets</b>                           |    |                     |
| Cash  | \$ | <u>20.00</u>        |
| <b>Total assets</b>                             | \$ | <u><u>20.00</u></u> |
| Net assets attributable to Unitholders          | \$ | <u>20.00</u>        |
| Net assets attributable to Unitholders per Unit | \$ | 20.00               |

Approved on behalf of the Board of Directors of  
Accelerate Financial Technologies Inc., as trustee of Accelerate Arbitrage Fund

(signed) "Julian Klymochko"  
Julian Klymochko  
Director

(signed) "Jai Hawker"  
Jai Hawker  
Director

**ACCELERATE MARKET NEUTRAL YIELD FUND**

**STATEMENT OF FINANCIAL POSITION**

**As at February 24, 2020**

|   |    |                     |
|---|----|---------------------|
| <b>Assets</b>                                   |    |                     |
| <b>Current assets</b>                           |    |                     |
| Cash  | \$ | <u>20.00</u>        |
| <b>Total assets</b>                             | \$ | <u><u>20.00</u></u> |
| Net assets attributable to Unitholders          | \$ | <u>20.00</u>        |
| Net assets attributable to Unitholders per Unit | \$ | 20.00               |

Approved on behalf of the Board of Directors of  
Accelerate Financial Technologies Inc., as trustee of Accelerate Market Neutral Yield Fund

(signed) "Julian Klymochko"  
Julian Klymochko  
Director

(signed) "Jai Hawker"  
Jai Hawker  
Director

**ACCELERATE MULTI-STRATEGY ALTERNATIVE ALLOCATION FUND**

**STATEMENT OF FINANCIAL POSITION**

**As at February 24, 2020**

|   |    |                     |
|---|----|---------------------|
| <b>Assets</b>                                   |    |                     |
| <b>Current assets</b>                           |    |                     |
| Cash  | \$ | <u>20.00</u>        |
| <b>Total assets</b>                             | \$ | <u><u>20.00</u></u> |
| <br>  |    |                     |
| Net assets attributable to Unitholders          | \$ | <u>20.00</u>        |
| <br>  |    |                     |
| Net assets attributable to Unitholders per Unit | \$ | 20.00               |

Approved on behalf of the Board of Directors of  
Accelerate Financial Technologies Inc., as trustee of Accelerate Multi-Strategy Alternative Allocation Fund

(signed) "Julian Klymochko"  
Julian Klymochko  
Director

(signed) "Jai Hawker"  
Jai Hawker  
Director

## NOTES TO STATEMENTS OF FINANCIAL POSITION

As at February 24, 2020

### 1. Establishment of the Accelerate Funds and authorized units

Accelerate Arbitrage Fund (“ARB”), Accelerate Market Neutral Yield Fund (“YLD”) and Accelerate Multi-Strategy Alternative Allocation Fund (“GAIN” and together with ARB and YLD, the “Accelerate Funds”) were each established as a trust on February 24, 2020 in accordance with a declaration of trust dated March 22, 2019, as the same may be amended or restated from time to time. The head office of the Accelerate Funds and the Manager (defined below) is located at Suite 300, 524 17 Avenue SW, Calgary, Alberta, T2S 0B2. The registered office of the Accelerate Funds and the Manager is located at 2400, 525 – 8 Avenue SW, Calgary, Alberta, T2P 1G1.

Each Accelerate Fund is an open-ended mutual fund trust under the laws of the Province of Ontario.

Each Accelerate Fund is authorized to issue an unlimited number of redeemable, transferable units (the “Units”), each of which represents an equal, undivided interest in the Accelerate Fund.

Accelerate Financial Technologies Inc., a registered portfolio manager and investment fund manager, is the trustee, manager and portfolio manager (the “Trustee” or “Manager”) of the Accelerate Funds and is responsible for the administration of the Accelerate Funds.

The statement of financial position of each Accelerate Fund as at February 24, 2020 was authorized for issue by the Manager and Trustee, on behalf of the applicable Accelerate Fund on February 24, 2020.

### 2. Significant accounting policies:

The statement of financial position of each Accelerate Fund has been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board relevant to preparing such a statement. The statements of financial position have been prepared under the historical cost convention. The significant accounting policies are set out below.

#### (i) Functional and Presentation Currency:

The financial statement is presented in Canadian dollars, which is the functional currency and presentation currency of the Accelerate Funds. The Accelerate Funds transact in Canadian dollars primarily.

#### (ii) Redeemable Units:

Units of the Accelerate Funds are redeemable at the option of the holder on each trading day (“Valuation Date”). Unitholders may redeem Units of an Accelerate Fund in any number for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the Toronto Stock Exchange (“TSX”) on the effective day of the redemption, subject to a maximum redemption price of the applicable net asset value (“NAV”) per Unit. Any gain or loss determined on such redemptions is recorded as a gain or loss on redemption on the Statement of Comprehensive Income, if any. Such reduced redemption price causes cash flows on redemption which are not substantially based on profit or loss, changes in net assets or changes in fair value of net assets, and thus the redeemable Units are classified as financial liabilities.

Units of the Accelerate Funds are redeemable (puttable) at the option of the holder. IAS 32 requires that puttable instruments be accounted for as financial liabilities except where certain conditions are met as defined in IAS 32. The units of the Accelerate Funds do not meet these conditions and accordingly are classified and presented as liabilities in accordance with IAS 32 in the financial statements.

On any trading day, unitholders may also exchange a minimum of a prescribed number of units (and any additional multiple thereof) for baskets of securities and cash, only cash or a combination of securities and cash equal to the NAV per unit of the units.

(iii) Issue of Units:

A total of 1 Unit of each Accelerate Fund were issued for cash consideration of \$20.00 in the Accelerate Fund on February 24, 2020 to Accelerate Financial Technologies Inc.

(iv) Cash:

Cash represents cash on deposit with a Canadian chartered bank and is recorded at amortized cost, which approximates fair value.

### **3. Fair value and risks associated with financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and each Accelerate Fund's obligation for net assets attributable to holders of redeemable Units approximate their fair values.

The overall risk management program of the Accelerate Funds seeks to maximize the return derived for the level of risk to which each Accelerate Fund is exposed and seeks to minimize potential adverse effects on each Accelerate Fund's financial performance.

#### **Credit risk**

Each Accelerate Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at February 24, 2020, the credit risk is considered limited as the cash balance represents a deposit with an AA-rated financial institution.

#### **Liquidity risk**

Liquidity risk is the risk that an Accelerate Fund will encounter difficulty in meeting obligations associated with financial liabilities. Each Accelerate Fund maintains sufficient liquidity to fund anticipated redemptions.

### **4. Management of the Accelerate Funds**

(a) Management Agreement:

Pursuant to the terms of a management agreement dated March 22, 2019, as the same may be amended or restated from time to time (the "Management Agreement"), the Manager is indemnified by each Accelerate Fund for any legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by the Manager in connection with the services provided by the Manager to the Accelerate Fund, if: (i) those fees, judgments and amounts were not incurred as a result of a breach by the Manager of the standard of care set out in the Management Agreement; and (ii) the Accelerate Fund has reasonable grounds to believe that the action or inaction that caused the payment of the fees, judgments and amounts paid in settlement was in the best interests of the Accelerate Fund. However, the Manager will not be entitled to be indemnified under the Management Agreement if the liability results from the Manager's wilful misconduct, bad faith, negligence or breach of its obligations under the Management Agreement or if there has been a failure of the Manager or any person retained by the Manager to meet the standard of care set out in the Management Agreement.

(b) Management fee and expenses:

Each Accelerate Fund will pay the Manager a management fee as set forth in the table below based on the average daily NAV of the Units of the Fund. The management fee, plus applicable GST/HST, is calculated and accrued daily

and paid monthly in arrears. The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

| <b>Accelerate Fund</b>                                | <b>Annual Management Fee (%)</b>                                      |
|---|---|
| Accelerate Arbitrage Fund                             | 0.95%   |
| Accelerate Market Neutral Yield Fund                  | 0.95%   |
| Accelerate Multi-Strategy Alternative Allocation Fund | 0.20% + the management fees of the Underlying Funds <sup>(1)(2)</sup> |

**Note:**

- (1) The Accelerate Multi-Strategy Alternative Allocation Fund has a base management fee of 0.20% payable to the Manager and, at and from inception, it may invest, directly or indirectly, in one or more funds managed by third-party managers, future funds managed by the Manager, if and when formed, and the following funds currently managed by the Manager: the Accelerate Arbitrage Fund; the Accelerate Market Neutral Yield Fund; the Accelerate Absolute Return Hedge Fund; the Accelerate Enhanced Canadian Benchmark Alternative Fund; and the Accelerate Private Equity Alpha Fund (each an “**Underlying Fund**” and collectively, the “**Underlying Funds**”). The fees and expenses payable for the management and advisory services of the Underlying Funds are in addition to the base management fee of 0.20% payable by the Accelerate Multi-Strategy Alternative Allocation Fund. As a result, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in an Underlying Fund that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee of the Underlying Fund on the portion of its assets that it invests in such Underlying Fund (which would be an aggregate of 1.15% in the case of Accelerate Arbitrage Fund or Accelerate Market Neutral Yield Fund). In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a management fee, the management fee payable to the Manager would consist of 0.20% plus the management fee, as and if applicable, of such fund. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests in an Underlying Fund that has a performance fee, the Accelerate Multi-Strategy Alternative Allocation Fund will bear such performance fee. See Note 2. Neither an Accelerate Fund nor any Underlying Fund pays sales fees or redemption fees with respect to the purchase or redemption by it of units of an Underlying Fund. However, commissions are paid for the purchase of an Underlying Fund that is an ETF.
- (2) To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Absolute Return Hedge Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Absolute Return Hedge Fund, which such performance incentive fee is equal to 20% of the amount by which the Accelerate Absolute Return Hedge Fund’s NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Enhanced Canadian Benchmark Alternative Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Enhanced Canadian Benchmark Alternative Fund, which such performance incentive fee, calculated quarterly, is equal to 50% of the positive amount by which the Accelerate Enhanced Canadian Benchmark Alternative Fund’s cumulative total return exceeds the performance of the S&P/TSX Composite Total Return Index for such period. To the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in the Accelerate Private Equity Alpha Fund, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, if any, of the Accelerate Private Equity Alpha Fund, which such performance incentive fee is equal to 15% of the amount by which the Accelerate Private Equity Alpha Fund’s NAV as of the last valuation date at the end of a calendar quarter exceeds its NAV as of the first valuation date at the beginning of that calendar quarter. See the Accelerate Absolute Return Hedge Fund, the Accelerate Enhanced Canadian Benchmark Alternative Fund and the Accelerate Private Equity Alpha Fund prospectus dated March 22, 2019 for more information regarding the above noted performance incentive fees. In addition, to the extent the Accelerate Multi-Strategy Alternative Allocation Fund invests its assets in a fund managed by a third-party manager or a future fund managed by the Manager, if and when formed, that has a performance incentive fee, the management fee payable to the Manager would consist of 0.20% plus the performance incentive fee, as and if applicable, of such fund.

In addition to any management fee, each Accelerate Fund pays all of its operating expenses, including: (i) brokerage expenses and commissions, any related transaction fees and other costs and expenses of portfolio transactions; (ii) the costs, including interest, incurred in connection with the short selling of securities; (iii) the costs, including interest, incurred in connection with cash borrowings; (iv) the fees under any derivative instrument used by the Accelerate Fund; (v) the cost of complying with governmental or regulatory requirements introduced after the date of creation of the Accelerate Fund, including, without limitation, any new fees or increases in fees (these costs will be assessed based on the extent and nature of these new requirements); (vi) the fees related to external services that are not

commonly charged in the Canadian exchange-traded fund industry as of the date of creation of the Accelerate Fund; (vii) the fees payable to the custodian, the registrar and transfer agent, the fund administrator, the borrowing agent, the lender, the auditor, legal counsel and other service providers retained by the Manager; (viii) the fees and expenses relating to the implementation and ongoing operation of the Independent Review Committee of the Accelerate Fund; (ix) any termination costs that may be allocated by the Manager to the Accelerate Fund; (x) the fees payable to CDS Clearing and Depository Services Inc. in respect of the Accelerate Fund; (xi) all other fees and expenses incurred in connection with the operation and administration of the Accelerate Fund; (xii) any applicable taxes on those expenses; and (xiii) any income, withholding or other taxes. These expenses, other than the management fee and any applicable taxes on the management fee, are all of the operating expenses payable by each Accelerate Fund.

The Manager may decide, in its discretion, to pay for some of these operating expenses that are otherwise payable by an Accelerate Fund, rather than having the Accelerate Fund incur such operating expenses. The Manager is under no obligation to do so and, if any operating expenses are reimbursed by the Manager, it may discontinue this practice at any time.

**CERTIFICATE OF THE ACCELERATE FUNDS, THE TRUSTEE, MANAGER AND PROMOTER**

Dated: February 24, 2020

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

**ACCELERATE FINANCIAL TECHNOLOGIES INC.  
as Trustee and Manager of Accelerate Arbitrage Fund, Accelerate Market Neutral Yield Fund and  
Accelerate Multi-Strategy Alternative Allocation Fund**

(signed) “Julian Klymochko”

Julian Klymochko  
Chief Executive Officer

(signed) “Michael Kesslering”

Michael Kesslering  
Chief Financial Officer

**On behalf of the Board of Directors of Accelerate Financial Technologies Inc.**

(signed) “Jai Hawker”

Jai Hawker  
Director

(signed) “P. Lonny Tetley”

P. Lonny Tetley  
Director

**ACCELERATE FINANCIAL TECHNOLOGIES INC.  
as Promoter of Accelerate Arbitrage Fund, Accelerate Market Neutral Yield Fund and Accelerate Multi-  
Strategy Alternative Allocation Fund**

(signed) “Julian Klymochko”

Julian Klymochko  
Chief Executive Officer